

KANSAS

DATA BOOK 2017

www.KansasCommerce.gov/DB2017

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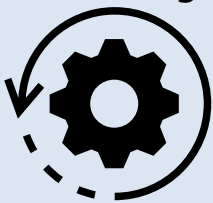
Quality of Life

With great schools, a low cost of living and vibrant communities, Kansans enjoy an amazing quality of life. We have cities that offer an array of excellent cultural options from food and music to sports and art. Of course, we are also famous for our friendly small towns, scenic natural beauty and wide-open spaces.

It’s no surprise then that no matter what our interests are, Kansans know how to have fun. Yes, we are known for hard work and being passionate about our businesses, but we know how to balance work and play, progress and history, urban and rural to create a quality of life you can’t find anywhere else. As every Kansas resident can tell you, that’s a unique combination that makes our state stand out.

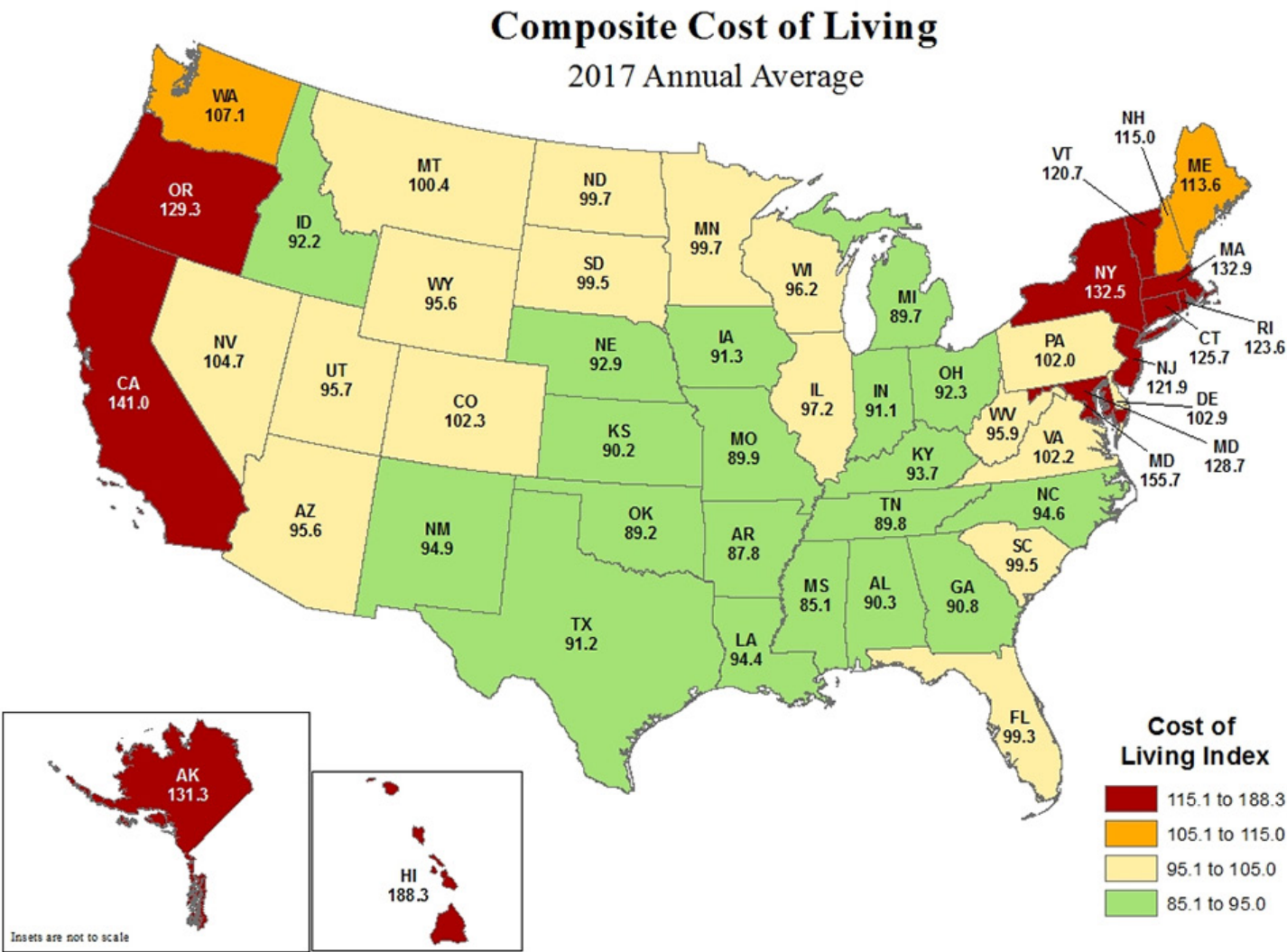
With a population of just over 2.9 million, Kansas packs a heavy economic punch. A proactive legislative and regulatory environment and major advantages in costs, taxes, skilled workforce and major transportation assets have combined to make the Sunflower State a haven for investment and innovation.

Kansas’ Diverse Industry Base

Bioscience	Logistics Distribution	Energy Technology	Advanced Manufacturing	Value-added Food Processing
				
The state has a strong bioscience foundation. Kansas is well situated to take advantage of emerging opportunities in others.	Kansas offers excellent highway, rail and air options for any business. The state’s central location and focus on an outstanding infrastructure means it’s easier and cheaper to ship to and from Kansas.	As a traditional agricultural leader and a state blessed with tremendous natural resources, Kansas is positioned to be a forerunner in renewable energy production and technology.	Global companies locate here because they know Kansas is a leader in supporting advanced manufacturing through education, business incentives and a positive business climate.	Kansas has a long agricultural history for producing many food products but it dairy production as well.

Cost of Living

The cost of living in Kansas is nearly 8.74 percent below the national average, ranking our state 6th lowest for cost of living in the U.S. From food and gasoline to property taxes and car insurance, most of what you need costs less here. Housing costs are especially low, with the median value of owner-occupied homes nearly 27 percent below the national average. The bottom line is this ... your dollar goes further here.



Communities

Kansans are famous for their modesty, but it’s hard not to brag about the state’s world-class communities.

Kansas is a blend of cosmopolitan and rural, with everything from thriving metro areas, downtowns and suburbs, to serene farm communities and quaint college towns. There are 2.9 million people in Kansas, including Wichita, the state’s largest city and the aerospace manufacturing capital of the world. Other large cities in our state include Overland Park, Olathe, Lenexa, and Kansas City, Kansas along with Topeka, the Capitol of the state. And don’t forget the state’s historic farm and cattle towns - places like Dodge City, Garden City, Salina, Hays and Great Bend - that have made Kansas the Heartland of America and one of the most prolific agricultural regions on earth.

Cost of Living Index Individual Kansas Communities	
Dodge City	92.4
Hutchinson	88.9
Kansas City MO-KS	93.1
Manhattan	91.3
Salina	86.2
Topeka	92.0
Wichita	91.8
U.S. Average	100.0

Education

Kansas’ education system is one of the best in the nation and a powerful factor in the state’s economic growth. Ninety (90) percent of Kansas adults have a high school diploma, ranking Kansas No. 17 in that category. Kansas is also among the top states for percent of adults with a college degree. Over 40% of adults, 25 and over, in Kansas have an associate college degree. In some areas, such as Johnson County in the Kansas City area, over 50% of the adults have a college degree. Educating our youth is highly valued in this state to provide a quality and skilled workforce to the businesses in Kansas.

State	Percent of Adults Age 25 years and over with High School Diploma or Higher Education, 2016 (National Ranking)	Average ACT Composite Scores, 2016 (National Ranking)	Pupil-Teacher Ratio, Fall 2014 (National Ranking)	Percent of Adults Age 25 years and over with Bachelor’s Degree or Higher Education, 2016 (National Ranking)
Kansas	90.5 (17)	21.9 (20)	13.2 (9)	32.8 (16)
California	82.4 (51)	22.6 (15)	23.6 (51)	32.9 (15)
Oklahoma	87.8 (34)	20.4 (31)	16.4 (38)	25.2 (44)
Illinois	88.8 (31)	20.8 (26)	15.5 (33)	34.0 (14)
Missouri	89.6 (27)	20.2 (35)	13.6 (13)	28.5 (34)
New York	86.3 (41)	23.9 (4)	13.5 (11)	35.7 (10)
U.S. Average	87.5	20.8	16.1	31.3
Source: Kansas State Department of Education; ACT, ACT Newsroom; U.S. Department of Commerce, Census Bureau				

Attractions

Few places can offer the outdoor life that Kansas does. We’re famous for our sweeping prairies and the limestone bluffs of the Flint Hills, but the Sunflower State boasts a unique blend of distinct topographical features. From the wooded glacial hills in the northeast to the canyons and mesas of the southwest part of the state, residents and visitors can channel their inner explorer on any number off breathtaking drives, bike rides or hikes.

Sports enthusiasts will find few better options than Kansas. We’re a destination state for hunters, and also feature rivers and lakes that offer great fishing and boating. Our state is home to two world-class golf courses - Prairie Dunes and Flint Hills National - ranked in Golf Digest’s top 100, and a number of other enjoyable courses in communities across our state. If you prefer spectator sports, we’ve got that covered too. Kansas is home to elite college athletics, with teams that are routinely featured in the biggest games and on the national stage. In addition, the Kansas Speedway hosts multiple NASCAR races each year.

Soccer occupies a special role in Kansas City, Kansas, the Soccer Capital of America. Sporting Kansas City, the 2013 Major League Soccer champion, plays before sellout crowds in one of the best soccer stadiums in the country. Nearby, a state-of-the-art training center is being constructed and will host the U.S. National Teams at all levels. That training facility and Johnson County’s outstanding youth soccer facilities will help make Kansas a hub for youth soccer development.

Sports and outdoors are an integral part of Kansas’ quality of life, but the state also boasts a wide variety of options in arts and entertainment. Art museums and smaller galleries dot the state in a celebration of local art and culture. There is always a concert to attend, including the spectacular Symphony in the Flint Hills and other classical options, a number of country music festivals and Kansas City’s famous jazz performances. The performing arts are important in communities across Kansas, ranging from national touring companies to outstanding community theatre.

Our state’s unique background provides historical attractions to interest families and history buffs alike. From the Brown vs. Board historic site to the Eisenhower Presidential Library and Museum, Kansas has locations commemorating some of the most important events and figures in U.S. history. The Kansas Cosmosphere features many famous artifacts from the Space Race, including the Apollo 13 command

module. Due to a rich military background, Kansas is home to forts and museums celebrating the history of America's armed forces. Of course, the state is also known for its role in the Wild West, and places such as Dodge City offer reenactments and museums dedicated to this distinctive part of American history.

Finally, as the breadbasket of America, Kansas boasts outstanding food options. We're home to fine dining as well as some of the most famous BBQ restaurants in America. And that's just in our biggest cities. Those who venture off the beaten path will discover an abundance of small town restaurants serving delicious local cuisine. If you love cooking your own meals, farmers markets offer the freshest locally grown ingredients to residents all across the state.

Kansas know how to relax and have fun, and we hope you'll join us. To discover more of the amazing things to do in the Sunflower State, visit TravelKS.com.

The Little Things

The average commute time in Kansas is less than 18 minutes - the fourth-shortest commute in the country. Moreover, Kansas has consistently been ranked as having some of the best roads in the country, meaning you can count on a safe, worry-free drive whenever you get in your car.

In 2016, Kansas' state highway system was ranked the nation's third best in overall highway performance and efficiency in a report released by the Reason Foundation.

Got weather? Kansas is ranked 10th for percentage of sunny days and is in the top one-third of states for clean air. The average daily temperature is 56.4 degrees Fahrenheit. And while there's no official index of "crystal-clear days that fade into tranquil starry nights," we think we'd rank pretty high on that one, too.

Markets & Transportation

Whether by highway, rail or air, Kansas offers excellent transportation and marketing advantages for your business. Because we're centrally located, and because we've focused on building and maintaining an outstanding multimodal infrastructure, it's easier and less expensive to ship to and from Kansas. We're home to numerous production facilities, warehouses and distribution centers that have found shipping raw materials and finished goods is more profitable when you're located in the nation's heartland.

Comprehensive Transportation Program

Transportation Works for Kansas (T-WORKS), is a comprehensive transportation program passed by the Kansas Legislature. T-WORKS is designed to create jobs, preserve highway infrastructure and provide multimodal economic development opportunities across the state. The third multi-year state-tax-driven initiative that addresses infrastructure creation and maintenance since 1991, T-WORKS is set to expire in May 2020. Various features of the program support different avenues of transportation, such as:

- A new highway project selection process that uses engineering data, local input and economic impact analysis to evaluate projects. Economic impact analysis helps ensure Kansans get a good return on their investments.
- An expanded Economic Development Program, which will be more flexible and responsive (i.e. decisions made in 45 days or less) to help communities capitalize on emerging economic opportunities.
- A regional transit approach to make services more efficient and expand coverage across the state.
- Expanded access to air ambulance services thanks to a strategic selection process for aviation projects.
- An expanded rail program that allows shippers and industrial parks to be eligible for program funds along with local governments.
- Improved maintenance of Kansas highways, offer a performance level our residents and businesses have come to expect.

T-WORKS has completed over 4,270 projects with 1,148 projects are scheduled or currently underway.

- 2,590 projects that preserve, modernize and expand our highways more than 12,000 miles.
- 1,305 projects that address various needs of our local roads.
- 101 projects concerning public transit.
- 178 projects addressing airports.
- 88 projects addressing bicycle and pedestrian paths.
- 8 projects addressing rail.

I-35/I-70 NAFTA Corridor

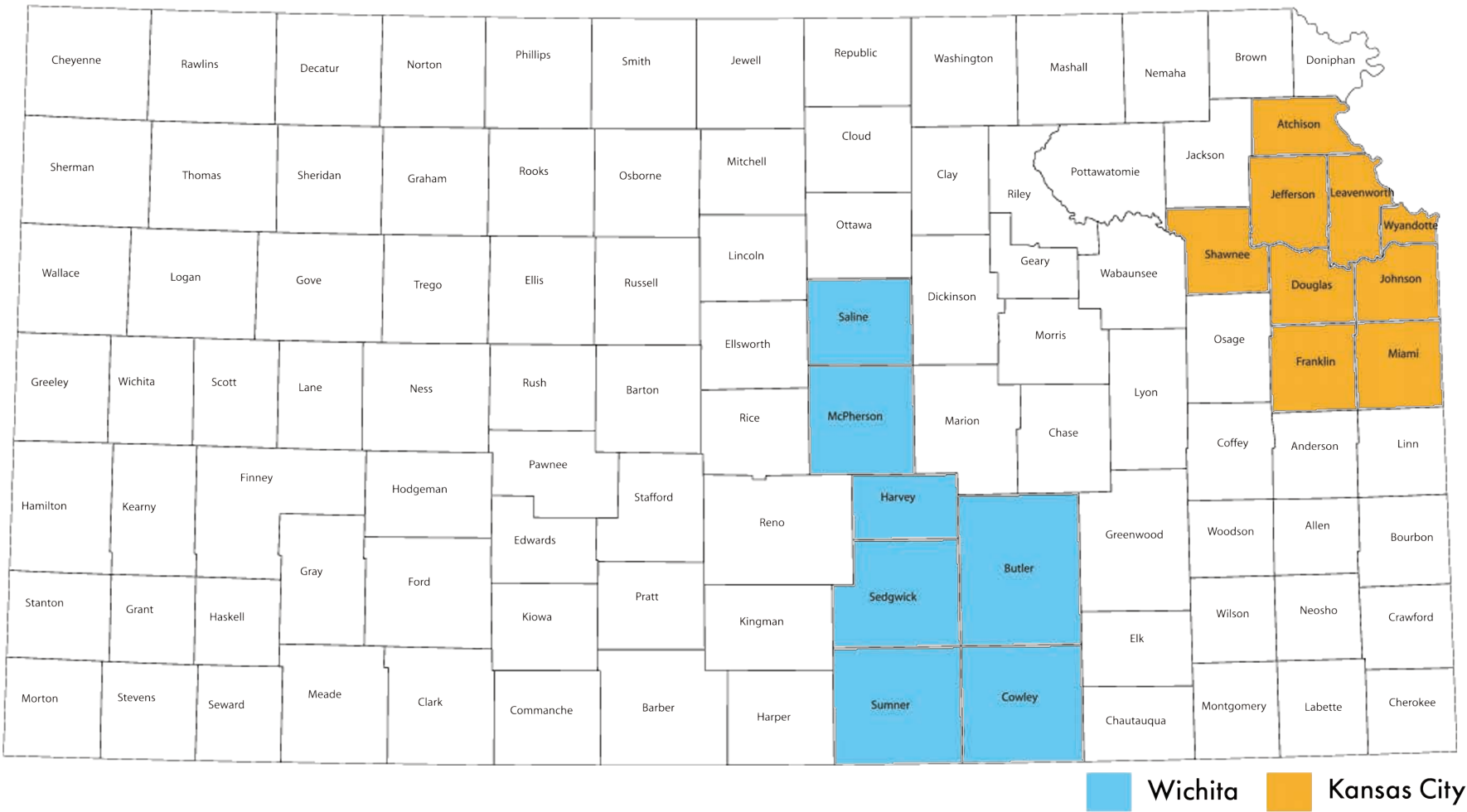
Following passage of the North American Free Trade Agreement, America’s heartland entered a new era as an international trade crossroads. The 1,500 miles of I-35 and I-29 create the only central interstate highway corridor linking the three countries of North America. This corridor carries significant trade with Mexico and Canada.

It is no secret that some of the nation’s leading trucking lines have major facilities in Kansas City. Its strategic location at the convergence of I-35 and I-70 places it literally at the crossroads of America. Trucks leaving Kansas can quickly and efficiently reach the international ports on either coast or the NAFTA trade partners to the north and the south. Kansas City is one of the nation’s leading freight rail hubs as well, ranking first in annual rail tonnage and second in annual rail volume.

The designation of I-35 and I-29 as “high-priority corridors” in the early 1990s made these interstates eligible for additional federal funding through the National Corridor Planning and Development (NCPD) Program. Two successfully negotiated Memoranda of Understanding with the Treasury Department have helped eight states secure more than \$30 million to improve transportation technology and infrastructure on these two major interstates. In addition, efforts are currently underway to develop prototype customs facilities in Kansas City, making it a “high-tech inland port.” KC SmartPort, a non-profit economic development organization, is the authority on logistics opportunities in the 18-county, bi-state Kansas City region. KC SmartPort promotes and enhances the Kansas City region’s status as a leading North American logistics hub, and its mission is two-fold: 1. To grow the Kansas City area’s transportation industry by attracting businesses with significant transportation and logistics elements; and 2. To make the industry and the region more competitive in the movement of goods into, out of and through the Kansas City bi-state region.

Foreign Trade Zones

Foreign Trade Zones (FTZs) provide a duty- and quota-free entry point for foreign goods under customs supervision for an unlimited period. Kansas offers a variety of sites managed by separate grantee organizations in Kansas City and Wichita.



Kansas’s FTZs are Alternative Site Framework (ASF) designated. Companies in the designated region are not restricted to a site-specific FTZ as the entire county is eligible for FTZ benefits. This streamlined approach offers companies the ability to choose a site within the region that fits their needs allowing for a quicker turnaround time and lower costs.

The Kansas City, Kansas FTZ (Zone 17) currently includes nine counties: Atchison, Jefferson, Franklin, Wyandotte, Johnson, Douglas, Shawnee, Leavenworth and Miami. The grantee of the zone is the Greater Kansas City Foreign Trade Zone, Inc., who is also the grantee of the Kansas City, Missouri FTZ (Zone 15). Combined, the Kansas City Zones represent one of the largest in the country, offering more space

and handling more volume than those of Chicago, Dallas, Denver, Minneapolis and St. Louis. Those who elicit ATZ designation may receive a response as early as six weeks.

The Wichita, Kansas FTZ (Zone 161) currently includes seven counties: Sedgwick, Sumner, Butler, Saline, Reno, McPherson and Harvey. The grantee of the zone is the Board of County Commissioners of Sedgwick County. Those who elicit ATZ designation may expect a response in as early as four weeks.

Road

Kansas has a world-class network of public roads and state- and interstate-highways that is more than 140,000 miles long which has turned Kansas into a central trucking hub. Our network of public roads and state highways provides a route for businesses within our communities to reach interstate highways with minimal interruptions. Our interstates allow convenient access to local, national and global markets.



Following the passage of the North American Free Trade Agreement, Kansas has become an international trade crossroads. The 1,500 miles of I-35 and I-29 create the only central interstate highway corridor linking the three countries of North America.

It's no secret that some of the nation's leading trucking lines have major facilities in Kansas. Trucks can quickly and efficiently reach international ports on either coast, NAFTA trade partners to the north and south and any markets that fall in-between. Major trade corridors with routes through Kansas include:

- I-70, spanning the country coast-to-coast from Utah to Maryland.
- I-135 and U.S. 81, establishing a route between Texas to North Dakota.
- I-29, creating a route from Kansas City to the United States/ Canadian border.
- U.S. 400, providing access to I-35, I-135, U.S. 81 & I-44.
- U.S. 69, traversing from Minnesota to Texas.

Premiere Highway System

Kansas has a world-class network of rural and urban interstate highways that connect companies within our communities to local, national and global markets. Our commitment to maintaining and expanding our network has resulted in a network that consistently receives premiere rankings and national recognition.

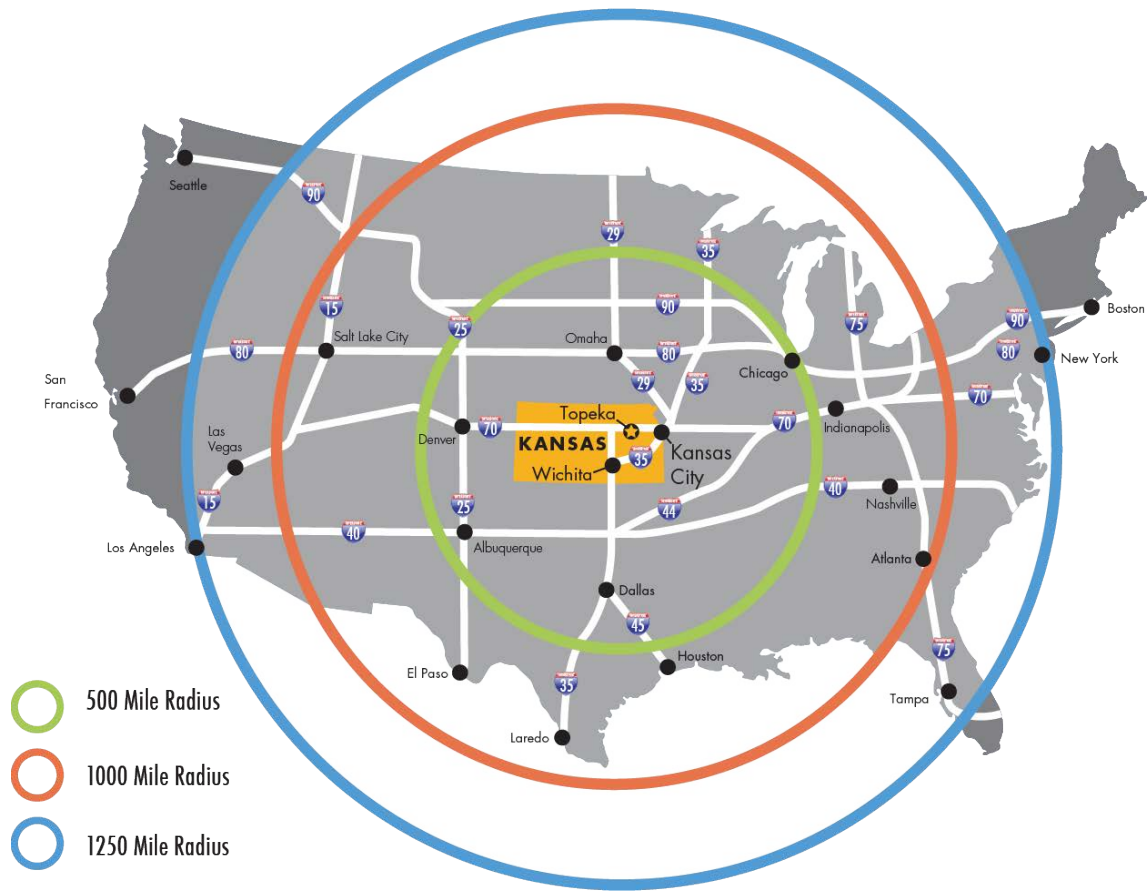
According to the Reason Foundation’s 22nd Annual Highway Report, Kansas’ highways outperform states that are within the region as well as states on the coasts.

Highway Performance and Cost-Effectiveness Rankings				
State	Overall (Rank)	Rural Interstate Pavement in Poor Condition (%)	Urban Interstate Pavement in Poor Condition (%)	Rural Arterial Pavement in Poor Condition (%)
Kansas	3	0.00	0.19	0.00
California	42	6.52	13.32	0.97
Illinois	29	0.00	0.07	0.48
Missouri	12	0.71	2.40	0.50
New York	45	2.50	11.70	0.59
Oklahoma	17	0.30	6.17	1.64
Source: Reason Foundation 22nd Annual Highway Report				

- **Rural Interstates** are typically four- to six-lane roadways connecting less populated regions to urban areas. One key measurement of roadway condition is pavement condition. In most states, road pavement condition is measured using special machines that determine the roughness of road surfaces.
- **Urban Interstates** consist of major, multi-lane Interstates in, and near, urbanized areas. One key measurement of roadway condition is pavement condition. In most states road pavement condition is measured using special machines that determine the roughness of road surfaces.
- **Rural other principal arterial roads** are best defined as state and U.S.-numbered roads outside of metropolitan areas.
- **Rural Other Principal Arterials with Narrow lanes** can cause drivers to have sight visibility and design issues that create safety problems. The national standard for lane width on major rural roads is generally 12 feet.

Drive Time to Markets

Kansas’ centralized location offers a tremendous competitive advantage to shipping to major North American markets. Our expansive network provides Kansas-based companies a safe and reliable route to major interstate highways that can connect them to 85 percent of the nation’s population in under a two-day drive.



Major Delivery Zone Cities			
Truck load			
Zone 1	Zone 2	Zone 3	Zone 4
Chicago	New Orleans	Miami	Los Angeles
Memphis	Atlanta	Boston	Seattle
Kansas City	New York	Phoenix	Portland
Omaha	Salt Lake City	Billings	San Francisco
Denver	Houston	Montreal, PQ	Vancouver, BC
Des Moines	Cincinnati	Toronto, ON	
Minneapolis/St. Paul	Washington, D.C.		
Dallas/Ft. Worth	Baltimore		
Indianapolis			
Source: Survey of Buying Power, SBP-Online Report			

Kansas Highway Regulations

Kansas Turnpike Exceptions

Kansas Turnpike regulations are similar to those for other Kansas highways with a few exceptions:

- Trailers 59.5 feet each may be pulled in combination
- Maximum length is 125 feet without prior authorization
- Maximum gross weight is 120,000 pounds
- Maximum width is 12 feet without prior authorization

(K.S.A. 2000 Supp. 8-1904, K.S.A. 8-1908, 8-1909)

Legal Weights Allowed on Kansas Highways

Single Axle	20,000 lbs
Tandem Axle	34,000 lbs*

Kansas Highway Gross Weight Limits

Interstate Highway	80,000 lbs
Other Highways	85,500 lbs

* Tandem axles with center less than 40 inches apart are considered one axle.

Maximum Dimensions Allowed on Kansas Highways	
Legal Width	8.5 ft
Legal Height	14.0 ft
Legal Length (single motor vehicle)	45.0 ft
Legal Length (truck-trailer combinations)	65.0 ft
Legal Length (each trailer when pulled in tandem)	28.5 ft
Legal Length (tractor-trailer combinations)	No limit

Rail

Kansas is served by a comprehensive rail network comprised of 4,855 miles (over 7,800 km) of total track, the sixth largest network in the nation. More than 900 incorporated and unincorporated cities stand along Kansas’ tracks. Many communities are served by more than one railroad, and businesses in several cities can take advantage of the reciprocal switching agreements between railroads.

Historically used to move countless tons of grain produced by farmers, our rail network ensures freight service to virtually anywhere in Kansas via the four Class I railroads, eleven Class III (short line) railroads and three switching/terminal railroads in the state. These operators administer more than 105 freight transfer facilities and terminals in our state, connecting our communities and businesses to local, national and global markets.

Intercity passenger service in Kansas is provided by Amtrak’s long-distance train, the Southwest Chief. The Southwest Chief operates between Chicago and Los Angeles, with a west- and east-bound train stops at our six stations in Lawrence, Topeka, Newton, Hutchinson, Dodge City and Garden City. Intermediate stops outside Kansas include Kansas City (MO), Albuquerque and Flagstaff. Each train is equipped with coaches, sleeping cars, a diner and a lounge car. Passengers are also able to use the Thruway bus service to transfer between the Southwest Chief and the Heartland Flyer which operates between Oklahoma City and Fort Worth.

Class I Railroads

Four Class I, or large railroads, operate in Kansas. These railroads provide long haul service for both in- and out-bound products as well as through traffic. The Class I railroads operating in Kansas are railroad companies BNSF Railway, Kansas City Southern Railway (KCS), Norfolk Southern Railway (NS) and the Union Pacific (UP) Railroad. Three of the four own lines in the state, and the fourth operates over trackage rights.

Class I Railroad Route Mileage in Kansas	
Class I Carriers	Main Line Owned
Burlington Northern Santa Fe Railway	1,142
Kansas City Southern	18
Norfolk Southern*	0
Union Pacific	1,563
Class I Total	2,723

**Norfolk Southern has 3 miles of trackage rights in Kansas*

BNSF has 11 subdivisions in Kansas. Each corridor carries substantial through freight as well as origin and termination service for shippers and receivers in Kansas. In 2016, BNSF hauled nearly 4.1 million carloads in Kansas. BNSF’s Transcontinental (Transcon) corridor stretches approximately 305 miles through Kansas, connecting Chicago, IL to Los Angeles and Oakland, CA.

KCS has two subdivisions in Kansas that are part of their one principal north-south route. The line follows the Kansas and Missouri border



Source: Institute for Policy & Social Research, The University of Kansas; data from U.S. Department of Transportation, National Transportation Atlas Database.

southward from Kansas City (mostly in Missouri) and crosses into southeast Kansas near Pittsburg. KCS moved 269,000 carloads in 2016.

NS has trackage rights on three miles of track in Kansas, specifically in the Kansas City area. The NS intermodal facility for the metropolitan Kansas City area is located in Kansas City, Missouri.

UP has 13 subdivisions in Kansas that form six principal corridors in and through the state. Each corridor carries substantial through freight as well as origin and termination service for shippers and receivers in Kansas. Minor portions of these various routes merge with other routes in and around the Kansas City area. UP hauled nearly 2.2 million carloads in Kansas.

Class III Railroads

Fourteen Class III, or local, terminal and switching railroads, operate in Kansas. Class III carriers providing line haul services are known as short lines. Class III railroads are small railroads that provide connections for their shippers to the Class I railroads and the national rail system. In 2016, Class III railroads hauled a total of 156,140 carloads versus 144,392 in 2015, an eight percent increase.

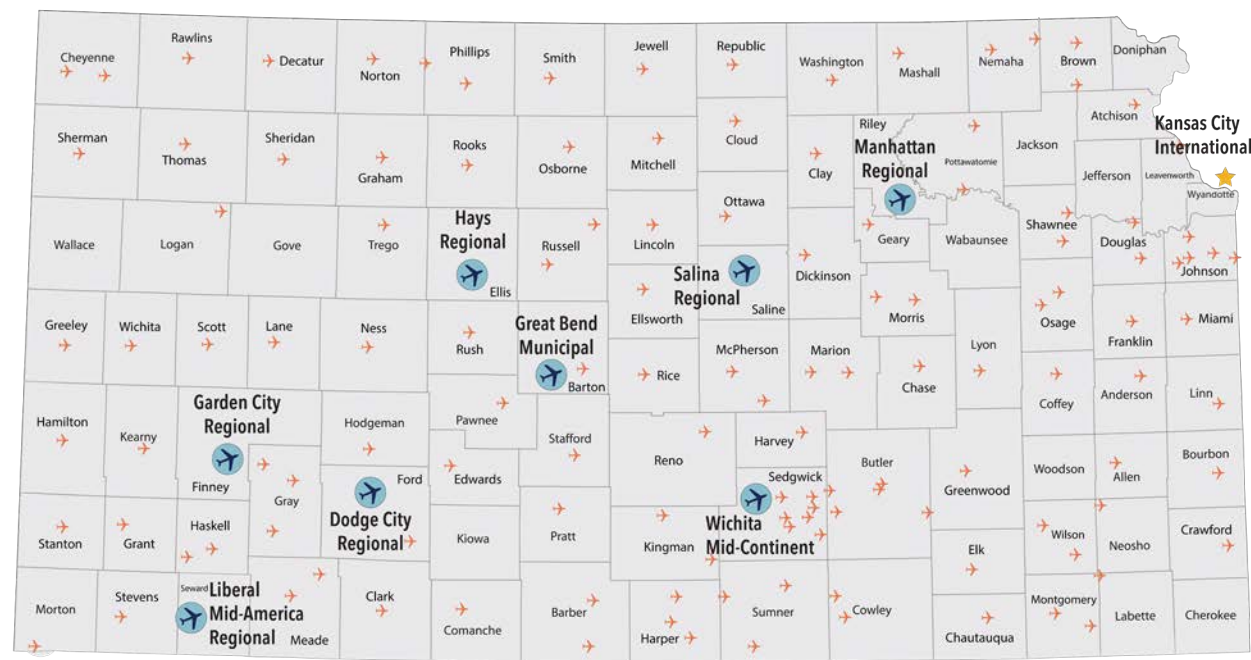
Class III Railroad Route Mileage in Kansas			
Class III Carriers (Short Lines)	Main Line Owned	Lines Leased from Class I	Miles Operated Excluding Trackage Rights
Blackwell Northern Gateway Railroad	18	0	18
Blue Rapids Railroad	10	0	10
Boot Hill & Western Railroad	10	0	10
Cimarron Valley Railroad	179	0	179
Garden City Western Railroad	45	0	45
Kansas & Oklahoma Railroad	554	166	720
Kyle Railroad	282	139	421
Missouri & Northern Arkansas	0	8	8
Nebraska, Kansas, Colorado Railway	62	0	62
South Kansas & Oklahoma	267	0	267
V & S Railway	25	0	25
Switching and Terminal Railroad Mileage in Kansas			
Kansas City Terminal	27	0	27
New Century AirCenter Railway	5	0	5
Wichita Terminal Association	9	0	9
Class III Total	1,493	313	1,806

Rail Transit Times to Markets

In-Transit Rail Shipping Times to Major Cities	
Destination	Rail Shipments
Atlanta	5 Days
Boston	6 Days
Chicago	2 Days
Cleveland	5 Days
Dallas	3 Days
Denver	2 Days
Detroit	5 Days
Kansas City	1 Day
Los Angeles	5 Days
Memphis	3 Days
New York	7 Days
Omaha	2 Days
Oklahoma City	2 Days
Philadelphia	6 Days
Phoenix	3 Days
St. Louis	2 Days
Seattle	5 Days

Air

The Kansas airport system consists of approximately 300 designated landing areas. Kansas is home to 137 public-use airports including seven commercial service facilities and over 200 private airports that serve general aviation for either public or private use. Airports provide over 63,800 jobs and generate nearly \$10.8 billion in total economic activity in the state. Kansas’ 140 public use airports offer convenient access to our communities, and direct routes to all national air service hubs.



- Our public use airports strategically located across all regions of the state allow our communities and businesses distinct advantages:
- No community in Kansas is more than 30 miles from a public use airport.
 - 92 percent of our population is located within 45 minutes of an airport suited to accommodate chartered service.
 - 92.5 percent of the population is within 30 minutes of an air ambulance.
 - Many of our airports are located adjacent to industrial parks, offering attractive, low-cost, foreign trade zone eligible locations to businesses seeking independent air services for cargo and company personnel.

Air Cargo

Air freight accounts for a small component of the state’s overall freight universe. Within Kansas, Wichita’s Dwight D. Eisenhower Airport (ICT) is the only airport that handles substantial freight movements. There are several other airports in Kansas that can support air cargo operations but their annual volumes are minimal. There are also airports that accommodate private freight shipments.

A variety of air cargo carriers service Kansas, most commercial airlines also offer small package delivery services to businesses. Air cargo carriers include: Airborne Express, Air Cargo Carriers, Baron Aviation, BAX Global, Central Air Southwest, DHL Airways, EGL, Emery Worldwide, Federal Express, Kitty Hawk, Planemasters, United Parcel Service, and United States Postal Service.

Commercial Service

Passenger service is offered at our eight commercial airports.

Airport Name	Airport Abbreviation	Longest Runway Dimension (Ft.)
Dodge City Regional Airport	DDC	6,899 x 100
Garden City Regional Airport	GCK	7,299 x 100
Great Bend Municipal Airport	GBD	7,851 x 100
Hays Regional Airport	HYS	6,501 x 100
Liberal Mid-America Regional Airport	LBL	7,105 x 100
Manhattan Regional Airport	MHK	7,000 x 150
Salina Municipal Airport	SLN	12,301 x 150
Wichita Dwight D. Eisenhower National Airport	ICT	10,301 x 150

Kansas City International Airport (MCI) is the primary passenger and cargo service provider for Kansas, Missouri, Iowa and Nebraska. Ten commercial airlines offer non-stop service to our state from 55 domestic and international airports. MCI offers direct access to our extensive highway system through state-of-the-art cargo handling facilities, permitting the easy transit of goods for our businesses to global markets.

At Wichita’s Dwight D. Eisenhower Airport (ICT), cargo carriers operate from a 65,000 square-yard air cargo apron for aircraft movement and parking. ICT has two dedicated all-cargo buildings for freight processing. Air cargo providers include DHL, Federal Express Corp., United Parcel Service, UPS Supply Chain Solutions, Empire Airlines and Integrated Airline Services. In addition, Southwest Airlines Cargo began offering air cargo services in conjunction with Leadfoot Air Cargo in July 2016. ICT has highway access from Airport Cargo Drive to an interchange with US-54/400.

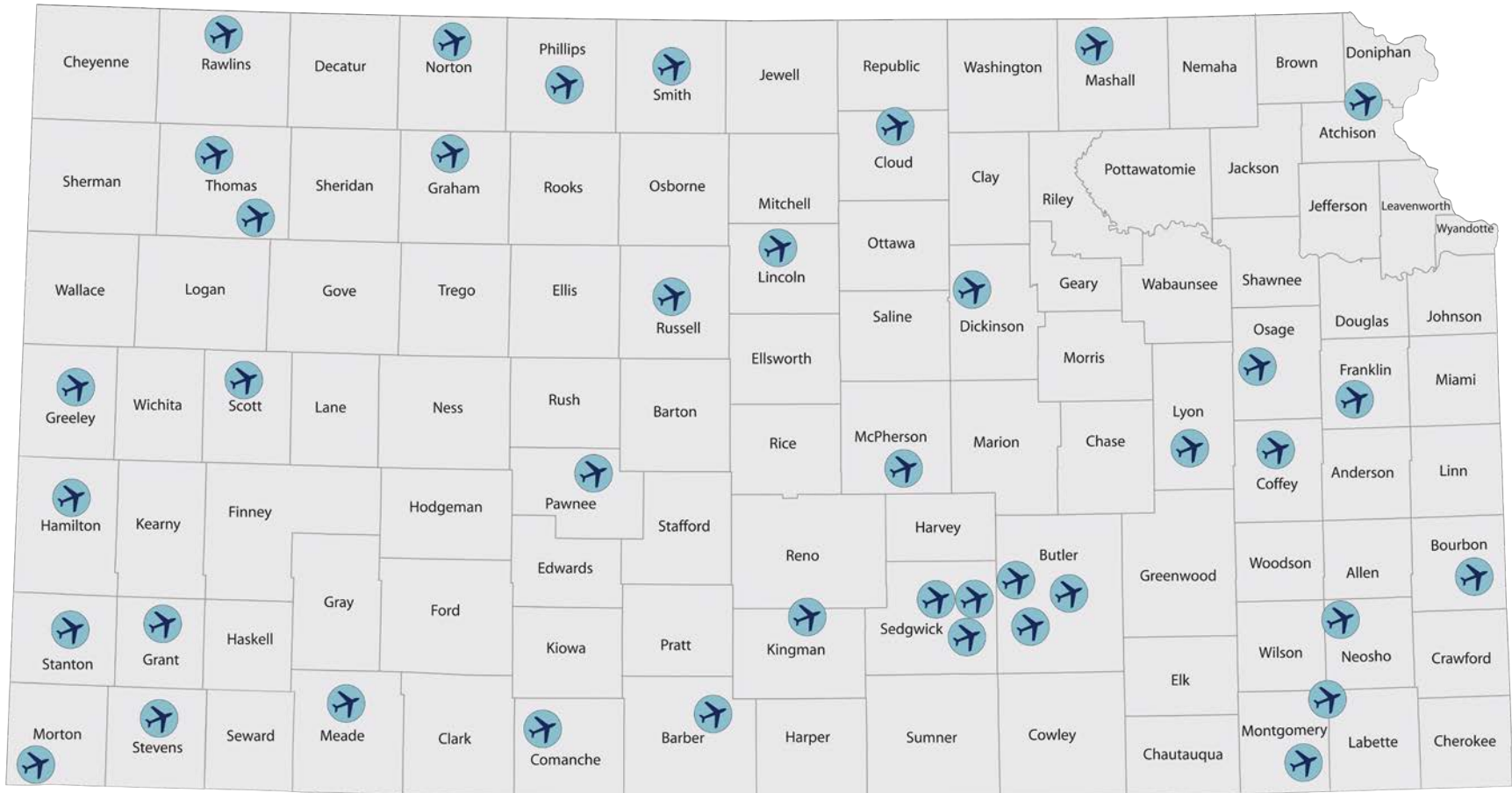
Service Provided To & From Kansas Commercial Airports								
	DDC	GCK	GBD	HYS	LBL	MHK	SLN	ICT
Chicago, IL ORD						X		X
Dallas-Fort Worth DFW		X				X	X	X
Houston, TX IAH								X
Las Vegas, NV LAS								X
Devner, CO DEN	X	X	X	X	X			X
Atlanta, GA ATL								X
Minneapolis, MN MSP								X
Phoeniz, AZ PHX								X
St. Louis, MO STL								X
Seattle, WA SEA								X
Kanas City, MO MCI							X	

General Aviation Airports

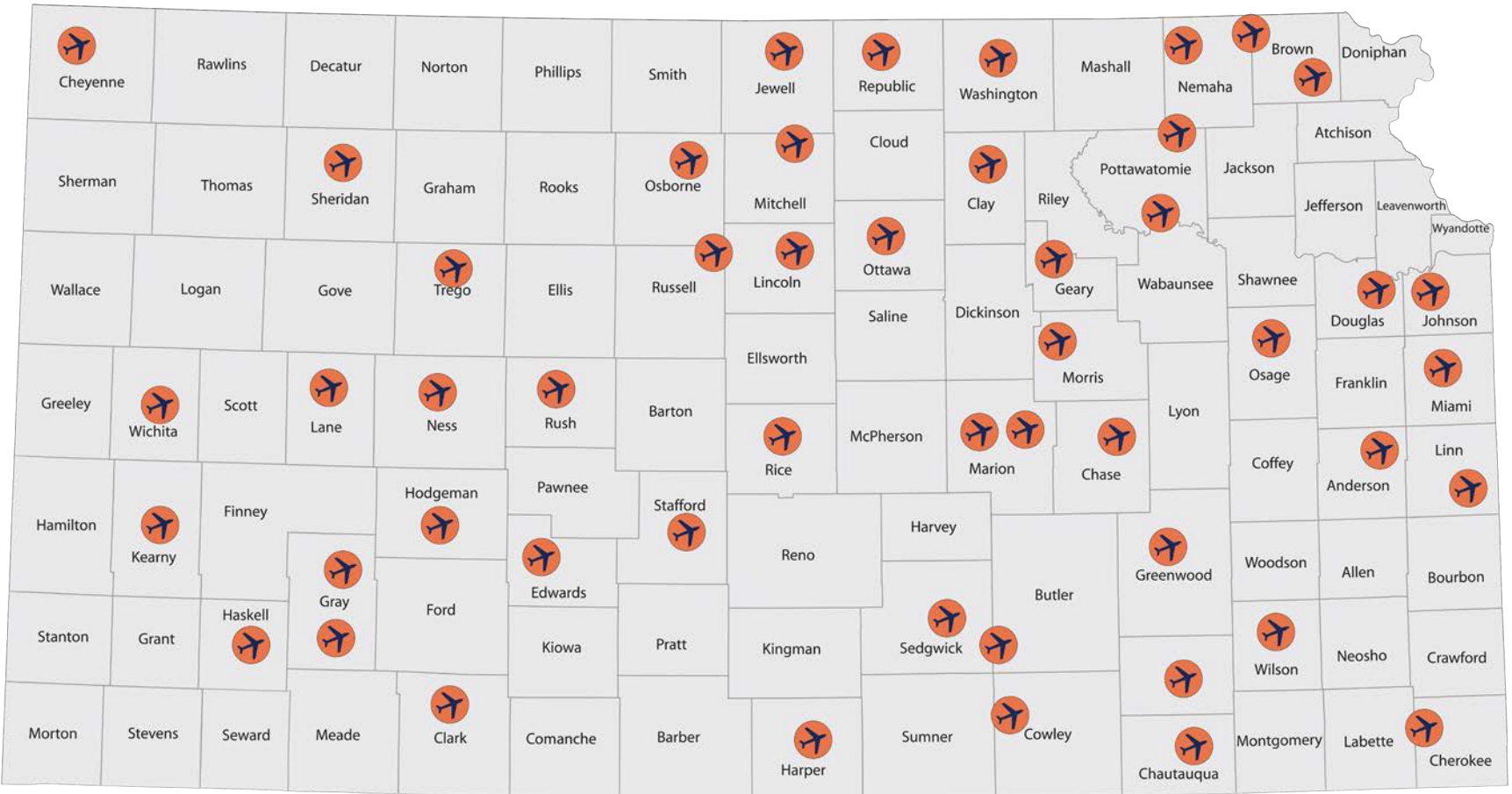
The 132 general aviation airports in Kansas operate under four different roles. The total number of airports operating under each role are:

- Regional – 17
- Business – 41
- Community – 43
- Basic Operations – 9
- Other – 22

Business Airports



Community Airports



Commercial Airports



Regional Airports



There are four general aviation airports that act as a reliever for commercial airports in the state.

- 1) Johnson County Executive Airport (OJC) is a reliever of MCI, providing basic terminal. OJC also offers aircraft maintenance and repair, aircraft charters and flight training services. The airport also accommodates corporate businesses and government operations.
- 2) Newton City/County Airport (EWK) is a reliever of ICT. The airport is located approximately 20 miles north of the Wichita metropolitan area. EWK accommodates corporate/business activities and a flight school.
- 3) Colonel James Jabara Airport* (AAO) acts as reliever airport for the Wichita metropolitan area. Located nine miles northeast of Wichita's Central Business district, AAO offers land for aviation development.
- 4) New Century Air Center* (IXD) is located in Johnson County. IXD's industrial park comes equipped with amenities such as BNSF rail connectivity, utilities such as water and wastewater, and an aircraft maintenance facility. 63 businesses have facilities at NCAC. Long-term lease agreements initial terms are typically 20 years, with options to extend in multi-year increments for a total of 50 to 70 years. The leases are offered in development parcels from 138 acres depending on the company's needs.

* Two reliever airports are air industrial parks. There are many air industrial parks operating on the sites of former military bases, offering low-cost locations for businesses seeking independent air services for cargo and company personnel.

Inland Waterways

Kansas has access to 122 miles of the Missouri River along the northeast corner of the state. Kansas has a total of eight commercial terminals located near Atchison, Leavenworth, Lansing, White Cloud and Kansas City. The Port of Kansas City – Woodswether Terminal – is located within one mile of downtown Kansas City and the interstate highway loop at River mile 367.1 on the south bank of the Missouri River. The seven-acre terminal recently underwent two significant phases of construction to address infrastructure ingress/egress and warehousing repairs.

Foodstuffs, fertilizer, scrap steel, cement and other raw materials, as well as machinery, comprise the bulk of shipments. The shipping season generally lasts between eight and nine months.

The Port of Catoosa, an inland seaport located near Tulsa, Okla., is approximately 50 miles from the Kansas border. The South Kansas and Oklahoma Railroad and the BNSF Railway provide direct rail access to the Port. It is a year-round, economical alternative to other means of travel and is especially advantageous to businesses manufacturing large goods that need to be assembled prior to shipping. The Port has been approved for a \$6.4 million grant in federal funds for a \$13 million rehabilitation of the main dock.

KANSAS



Economy

The Kansas economy has expanded from its original base in agribusiness into an economy with a diverse mix of growing industries. Major companies continue to choose Kansas as their preferred place to do business or where they would like to expand. Companies such as Amazon, Dairy Farmers of America, Figeac-Aero, Kubota, Certainteed, Thyssen Krupp, Rubbermaid, Murphy Hoffman and Wells Fargo have all selected Kansas recently for a new business location or expansion.

Key Industries



Advanced manufacturing: Advanced manufacturing--especially aviation and aerospace manufacturing -- is an important driver in the Kansas economy. The city of Wichita produces more than 30 percent of the world's general aviation aircraft, earning the city the title of "Aviation Capital of the World." Approximately 53 percent of Wichita's manufacturing employment is related to the aviation/aerospace industry. Kansas is home to many key aviation companies, including Cessna, Beechcraft, Bombardier Learjet and Spirit AeroSystems.

In addition, General Motors and its suppliers have a significant automotive presence in Kansas City, Kan., where GM manufactures Chevrolet and Buick products. Kansas is also a leader in the fast-growing area of composites and advanced materials, a sector in which we are already seeing cluster development in the Wichita and Kansas City areas.



Bioscience: From its roots in agriculture, bioscience has grown into one of Kansas' top target industries. The state currently has more than 16,000 people employed in the biosciences and has initiated a comprehensive strategy to build on our established and emerging strengths. Animal health is one of our leading bioscience sectors, with the Kansas City Animal Health Corridor running through the heart of Kansas. This corridor has the world's largest concentration of animal health interests and accounts for nearly one-third of total sales in the global animal health market.



Professional services: Kansas has emerged as a leader for professional service companies, including those involved in finance, accounting, information technology and architectural design. In fact, in recent years, we have seen unprecedented success for Kansas in terms of recruiting new service-related companies, with corporate leaders such as Security Benefit, J.P. Morgan, U.S. Bank, Cerner Healthcare, Fishnet Security and Netsmart Technologies all establishing new facilities here.



Renewable fuels and bioenergy: As a traditional agricultural leader and a state blessed with tremendous natural resources, Kansas is positioned to be a forerunner in renewable energy production. Kansas ranks very high in total biomass production, with companies benefiting from economical access to feedstock for bio-based fuels, as well as proximity to feedlots that serve as a market for the animal feed resulting from biofuel byproducts. With three million head of cattle on feed in southwest Kansas, biofuel plants can enjoy the cost savings of sending wet grains to nearby feedlots.

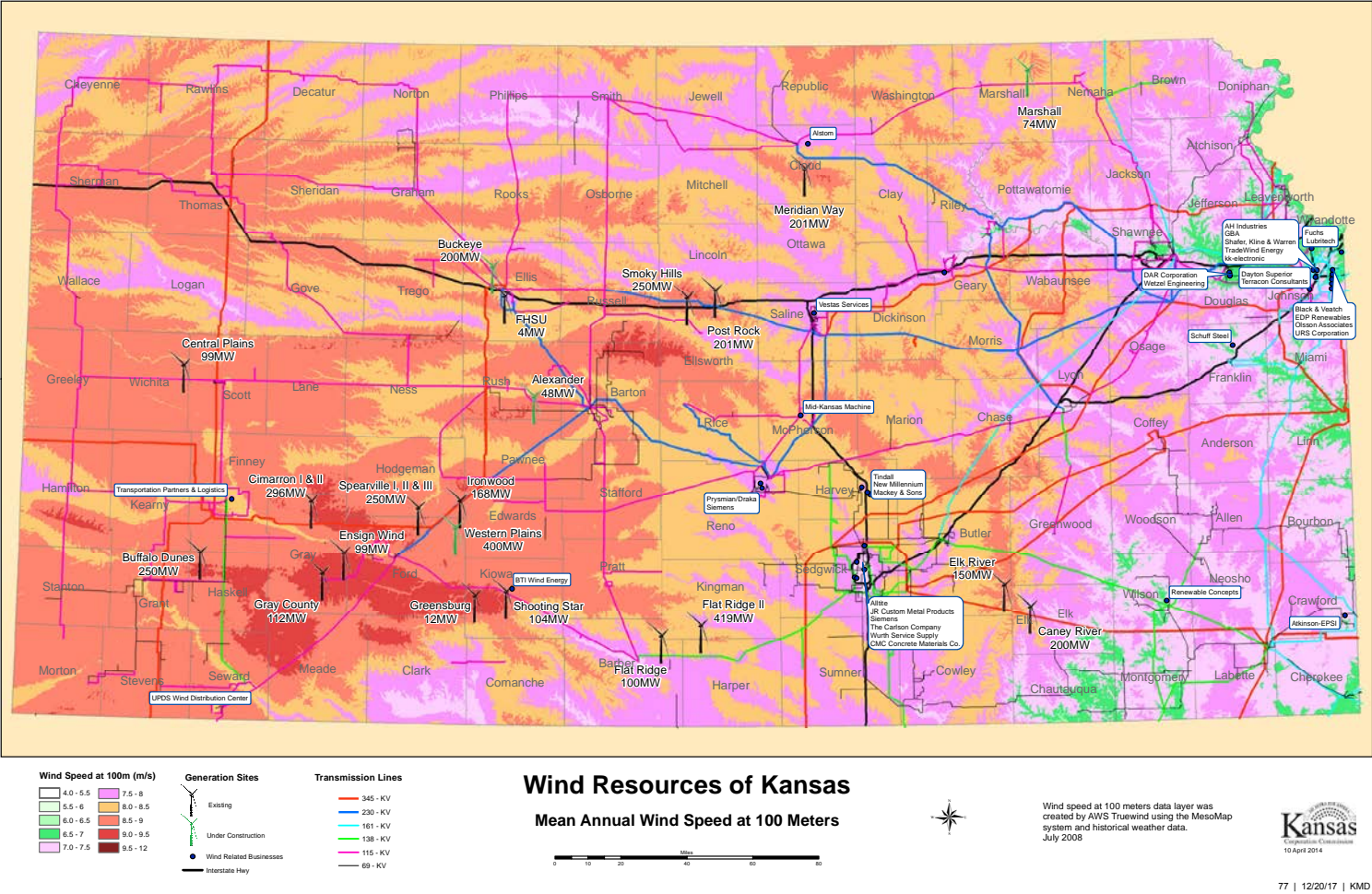


Wind energy: Located in the heart of the nation's Wind Corridor, Kansas offers an ideal location for wind turbine manufacturing. Our central location and outstanding transportation infrastructure provide convenient and economical access to the regions with the greatest wind energy activity.

- Kansas wind is very cost effective due to high productivity factors, and has therefore been attractive to out-of-state utilities, which are purchasing over 45 percent of the wind energy produced in Kansas.
- There are 874 megawatts of wind capacity currently in advanced development.
- Kansas is ranked No. 3 in wind potential and is among the top ten states for operating wind farms.

According to data in the 2016 Annual Wind Market Report, Kansas ranks in the Top 10 in a number of categories:

- 5th in cumulative investment in wind energy projects (\$8.4 billion)
- 5th in wind industry employment (5,001-6,000)
- 5th in estimated annual lease payments to landowners by wind projects (\$10-15 million)
- 8th in wind capacity currently in advanced development (874). 5th in wind power capacity installations (4,451 MW)
- 4th in wind power capacity additions during 2016 (687 MW), 3rd in wind energy as percent of total state generation (29.6 percent)
- 6th in fastest growing states for wind generation (28.3 percent annual growth) and 4th in total generation from wind power (14.1 million MWh)



WIND ENERGY
\$10 BILLION
*in wind energy investments
have been made in Kansas*

Kansas Labor Summary							
	2011	2012	2013	2014	2015	2016	% Change 2011-2016
Population (in thousands)	2,869.5	2,885.3	2,892.8	2,899.4	2,906.7	2,907.3	1.3%
Labor Force (in thousands)	1,491.1	1,485.2	1,486.9	1,494.0	1,489.2	1,484.0	-0.5%
Employment (in thousands)	1,394.1	1,400.1	1,408.0	1,426.2	1,426.8	1,422.1	2.0%
Unemployment (%)	6.5%	5.7%	5.3%	4.5%	4.2%	4.2%	-35.4%
Non-Farm Wage & Salary Employment (in thousands)	1339.6	1357.4	1372.1	1390.9	1402.3	1409.9	5.2%
Source: U.S. Department of Commerce, U.S. Census Bureau; U.S. Department of Labor, Bureau of Labor Statistics							

Economic Indicators							
	U.S. Average	KS	CA	IL	MO	NY	OK
Employment to Population Ratio, 2016	59.7	64.3	58.9	61.4	62.4	57.7	58.2
Unemployment Rate, 2016	4.9	4.2	5.4	5.9	4.5	4.8	4.9
Cost of Living Index, 2016	100.0	90.8	134.8	95.0	90.8	135.2	88.6
Per Capita Personal Income, 2016	49,571	48,537	55,987	52,098	43,723	60,534	45,682
State and Local Taxes as a Percentage of Income, 2014	9.80	9.18	9.39	9.58	7.79	13.54	9.17
Source: U.S. Department of Labor, Bureau of Labor Statistics, The Council for Community and Economic Research (C2ER); U.S. Department of Commerce, Bureau of Economic Analysis, Tax Policy Center.							

Kansas Employment by Sector (Thousands of Jobs), 2016				
Sector	2014	2015	2016	Percent Change 2014-2016
Total	1390.9	1402.3	1409.9	1.4%
Mining & Logging	10.5	8.5	6.9	-34.3%
Construction	59.8	61	61.2	2.3%
Manufacturing	162.3	161.3	160.4	-1.2%
Durable Goods	98.6	97.7	95.8	-2.8%
Non-Durable Goods	63.7	63.6	64.7	1.6%
Wholesale Trade	59.4	60	59.7	0.5%
Retail Trade	146.4	148.9	149.5	2.1%
Transportation & Utilities	56.1	56.4	57.7	2.9%
Information	21.9	21.1	20.7	-5.5%
Finance & Insurance	63.6	65.5	70.2	10.4%
Real Estate, Rental & Leasing	14.5	15.1	15.4	6.2%
Professional, Scientific, & Technical Services	69.2	71.6	73	5.5%
Management of Companies & Enterprises	26	26	24.4	-6.2%
Administrative & Waste Services	82.9	81.6	81	-2.3%
Educational Services	19.2	19.2	19	-1.0%
Health Care & Social Assistance	170.8	175.1	177.3	3.8%
Arts, Entertainment, & Recreation	16.1	16.2	16.6	3.1%
Accommodation & Food Services	106.8	109.6	110.7	3.7%
Other Services	48.6	48.6	50.5	3.9%
Government	256.9	256.5	255.9	-0.4%
Federal Government	24.9	25	25	0.4%
State Government	51.3	51.4	51.7	0.8%
Local Government	180.7	180.2	179.2	-0.8%
Source: U.S. Department of Labor, Bureau of Labor Statistics				

Diversification of Economy - 2016					
Category	United States		Kansas		
	2016 GDP (millions of current \$)	% of GDP	2016 GDP (millions of current \$)	% of GDP	
Total	\$ 18,456,292	100.00	\$ 153,258	100.00	
Private Industries	\$ 16,177,539	87.65	\$ 132,301	86.33	
Agriculture, Forestry & Fishing	\$ 159,919	0.87	\$ 3,843	2.51	
Mining	\$ 264,580	1.43	\$ 1,011	0.66	
Utilities	\$ 288,116	1.56	\$ 2,389	1.56	
Construction	\$ 784,014	4.25	\$ 6,317	4.12	
Manufacturing	\$ 2,175,228	11.79	\$ 23,792	15.52	
Durable Goods	\$ 1,184,748	6.42	\$ 11,987	7.82	
Nondurable Goods	\$ 990,480	5.37	\$ 11,804	7.70	
Wholesale Trade	\$ 1,097,961	5.95	\$ 10,171	6.64	
Retail Trade	\$ 1,087,089	5.89	\$ 9,962	6.50	
Transportation & Warehousing	\$ 562,895	3.05	\$ 5,883	3.84	
Information	\$ 885,958	4.80	\$ 5,668	3.70	
Finance & Insurance	\$ 1,355,546	7.34	\$ 8,672	5.66	
Real Estate, Rental & Leasing	\$ 2,461,834	13.34	\$ 16,876	11.01	
Professional & Technical Services	\$ 1,355,697	7.35	\$ 8,471	5.53	
Management of Companies & Enterprises	\$ 367,803	1.99	\$ 3,592	2.34	
Administrative & Waste Services	\$ 585,105	3.17	\$ 5,003	3.26	
Educational Services	\$ 207,321	1.12	\$ 895	0.58	
Health Care & Social Assistance	\$ 1,368,697	7.42	\$ 11,634	7.59	
Arts, Entertainment, & Recreation	\$ 197,873	1.07	\$ 882	0.58	
Accommodation & Food Services	\$ 551,461	2.99	\$ 3,926	2.56	
Other Services (except Government)	\$ 420,441	2.28	\$ 3,311	2.16	
Government	\$ 2,278,753	12.35	\$ 20,957	13.67	
Source: U.S. Department of Commerce, Bureau of Economic Analysis					

Accolades & Rankings

- Kansas ranked in the Top Five in three categories in *Site Selection's* 2015 Governor's Cup. In the 2015 Governor's Cup, Kansas ranked fifth in the nation by projects per capita. In the West North Central region, Kansas placed second in project rankings per capita, with 93 facilities. Kansas also placed second in the West North Central region for project rankings total facilities, with 93 facilities. The Governor's Cup recognizes the top performing states for capital investment attraction that year. The Governor's Cup reflects yearly project totals, which are tracked by the Conway Project Database.
- Kansas ranked 5th in the U.S. in *Pollina Corporate Real Estate's* 2015 and 2014 "Top 10 Pro-Business States" rankings, and annual study that examines 32 factors controlled by state governments to identify the states most effective at creating strong business environments. *Pollina* ranked Kansas in the top 10 for seven consecutive years. States that score well in these categories typically are successful in attracting and retaining businesses.
- *Area Development*, a leading publication covering site selection and facility planning, awarded Kansas with a Silver Shovel in its 2015 Gold and Silver shovel Awards. Kansas has won this Silver award nine times in the last eleven years, plus in 2013 Kansas was named a Gold Shovel recipient for the first time. The award recognizes states that have significant number of high-value-added new jobs and investment for the year.

- The Kansas City Metropolitan Area was recently named the seventh best out of the 100 largest metropolitan areas in the nation for women-owned business by WalletHub, an online financial planning site. WalletHub analysts compared the 100 largest metropolitan statistical areas across three key dimensions: Overall New Business Friendliness, Female Entrepreneurship, and Business Climate for Women. Kansas City, KS-MO also ranked 14th out of the 100 largest metropolitan areas in the nation for ‘female entrepreneurs’.
- Thumbtack has announced that Kansas received an overall grade of an “A” for small business friendliness in its 2015 annual survey of business owners. Small businesses gave Kansas an “A+” in nine out of 10 subcategories, including tax code, regulations, employment and labor, and ease of starting a business. The survey drew upon data from nearly 18,000 small business owners. Kansas was among nine states receiving a grade of an “A.”

According to the *Business Facilities* rankings for 2014, Kansas is ranked:

- 7th as an Aerospace/Defense Industry Leader
 - 9th as a Renewable Energy Leader in Power Generation
 - 6th as an Installed Wind Capacity Leader
 - 3rd for Wind Power as a Percentage of Overall Energy
- Kansas City, Kan. was selected as the first Google Fiber Community. Google launched an initiative called Google Fiber, which will provide communities with Internet access more than 100 times faster than what most Americans have today. Nearly 1,100 communities submitted applications for Google Fiber. Kansas City was selected and was the first community where Google installed its fiber-to-the-home (FTTH) service. Since that time, they have installed this fiber in several cities in the Kansas City metropolitan area with plans to continue installations in the state.

Cost of Doing Business		
State	Overall Competitiveness	Rank (1=lowest; 50=highest)
Kansas	34	21
California	28	49
Illinois	31	30
Missouri	22	17
New York	38	47
Oklahoma	43	20
Source: CNBC, America's Top States for Business 2017		

Top Employers		
Employer	Number of Employees	Type of Business
Spirit Aerosystems	10,700	Aircraft Systems Manufacturing
Textron Aviation	9,300	Aircraft Manufacturing
Sprint Corp.	6,000	Telecommunications
Garmin International	3,384	GPS Device Design & Manufacturing
Koch Industries	3,240	Chemical Technologies
Tyson Fresh Meats (Holcomb)	3,200	Meat Product Manufacturing
Black & Veatch	3,029	Engineering Consulting
General Motors - Fairfax plant	3,000	Automobile Manufacturing
Cargill Meat Solutions	2,700	Meat Product Manufacturing
BNSF Railway	2,500	Freight Railroad
National Beef Packing (Dodge City)	2,500	Meat Packers Manufacturing
National Beef Packing (Liberal)	2,500	Meat Packers Manufacturing
UnitedHealth Group	2,500	Direct Insurance Carriers
United Parcel Service	2,000	Package Delivery and Logistics
Quest Diagnostics	1,833	Testing laboratories
Bombardier Learjet	1,700	Aerospace Manufacturing
Goodyear Tire & Rubber Co	1,700	Rubber Product Manufacturing
Johnson Controls	1,600	HVAC Manufacturing
Kiewit Engineering	1,500	Energy-sector Engineering
General Dynamics	1,500	Information Systems Technology
Schwan's Consumer Brands	1,300	Packaged Frozen Food Merchant Wholesalers
Bayer Corporation	1,300	Life Sciences
Cigna HealthCare	1,296	Health Services/Insurance
Honeywell Aerospace	1,200	Aerospace Product and Parts Manufacturing
AGCO Corp.	1,200	Farm Machinery Manufacturing
Source: InfoGroup (2016) along with Kansas City and Wichita Book of Lists and individual company websites.		

MORE THAN
32,000

people are employed in aerospace in Kansas

Workforce

Kansas workers are a driving factor in the expansion of our state's economy. With outstanding schools and good partnerships between industry and education, Kansas businesses have access to a workforce that is prepared to meet the needs of companies in a highly competitive global economy. Though much of the state's population is concentrated in metropolitan areas, firms locating in any region of the state will find a motivated and skilled workforce ready to put its talent to work.

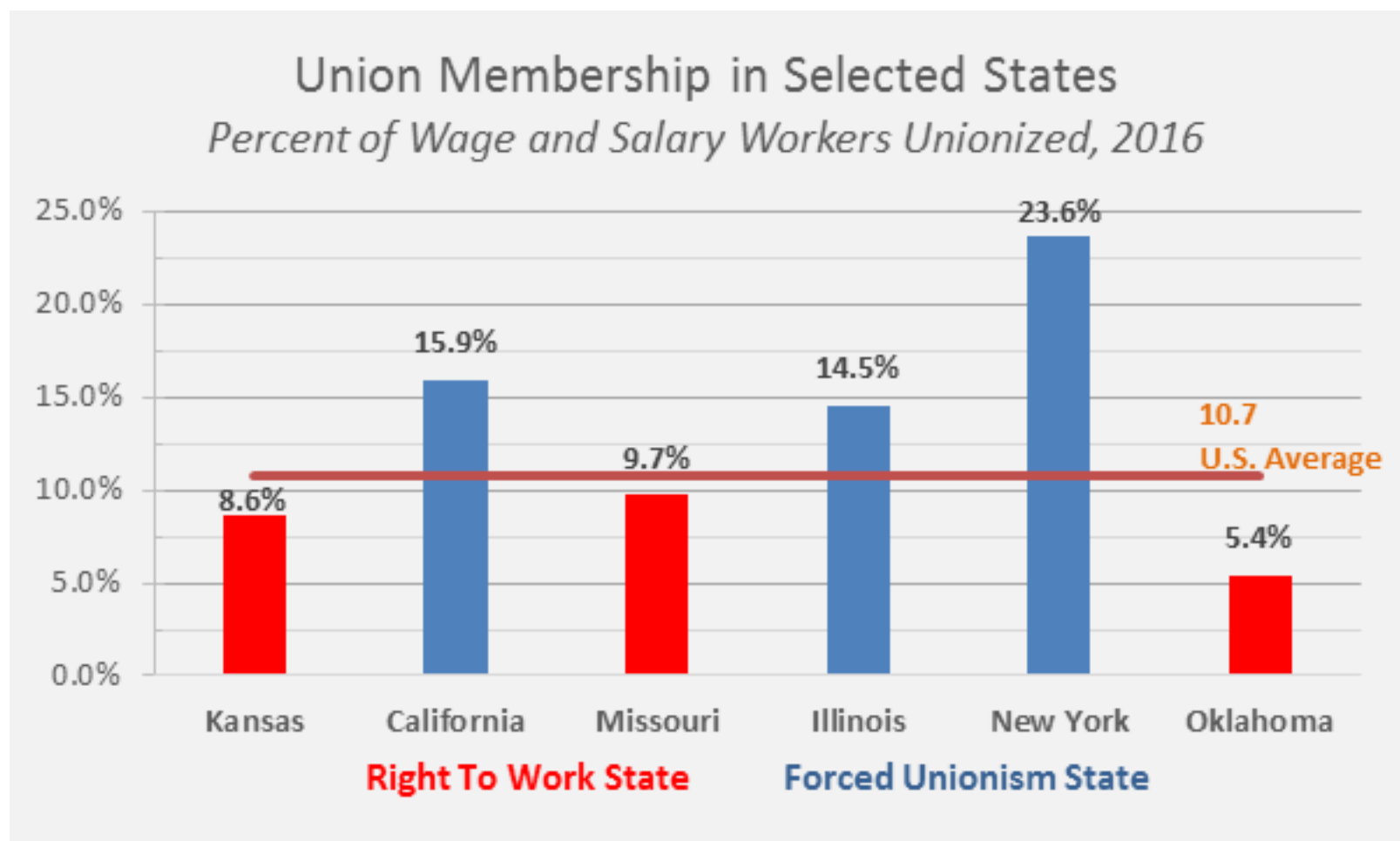
Unlike most states, Kansas combines economic development and workforce services in its Department of Commerce. This combination creates a seamless experience for employers as they seek assistance in addressing their employment needs. It also helps to ensure that workforce services programs are employer demand-driven and focused on providing the skilled workforce sought by Kansas employers.

Commerce's Workforce Services Division programs of special note to employers include:

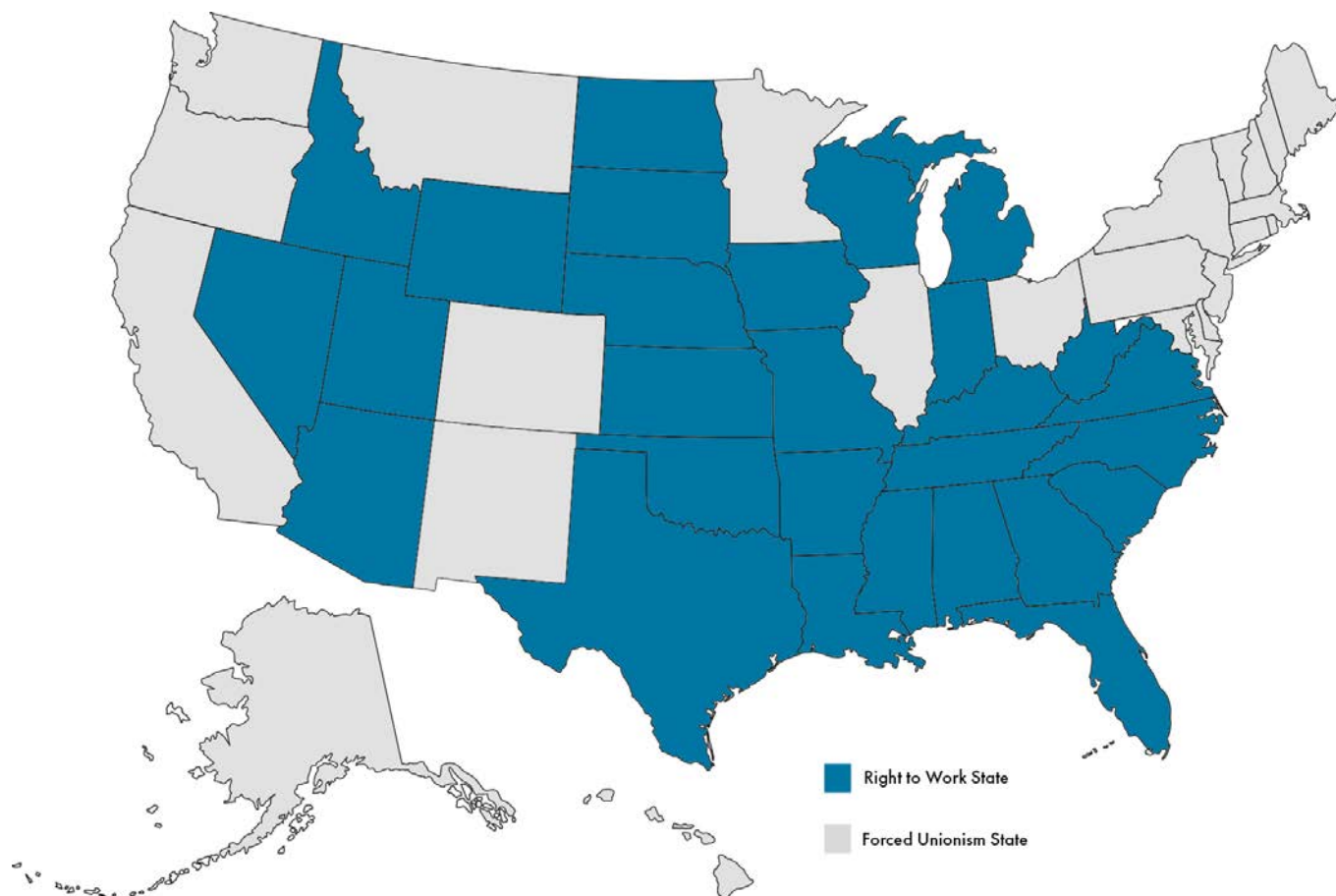
- Recruitment and screening assistance is available at no cost through **KANSASWORKS** Workforce Centers across the state. A list of these locations can be found at **KANSASWORKS.com**
- **KANSASWORKS.com** is a website for both jobseekers and employers. Companies can list their job vacancies on this site at no cost and can also search resumes posted by jobseekers.
- When a company takes the KanVet pledge, **KANSASWORKS** staff will work with that company to link qualified veterans to job openings.
- The Kansas WORKReady! Certificate is awarded to job seekers taking the ACT WORK Keys tests (reading for information, applied mathematics, locating information). Many Kansas employers utilize this tool as a key measure of work readiness and prefer candidates scoring at specific levels of performance. A map reflecting the number of KansasWORKReady! Certificates attained by level in each county can be found at **KANSASWORKS.com**.
- Workforce Aligned with Industry Demand (Workforce AID) is a partnership between Commerce and the Board of Regents implementing pilot projects to align workforce training and education with industry opportunities and demand, linking education to a job.
- The Governor's Career Technical Education Initiative through the Kansas Board of Regents is a highly unique program focused on developing the pipeline of future employees in Kansas. This program allows Kansas high school juniors and seniors to take technical education courses through a community or technical college and have the tuition paid for by the state.

Labor Environment

Kansas is a right-to-work state guaranteed by a 1958 constitutional amendment. There are 28 states that prohibit compulsory union membership. Some are enacted by state statute, some by amendments to their state constitutions which and are vulnerable to change by state legislatures. Kansas' right-to-work status can only be changed by a vote of the people.



Source: United States Department of Labor, Bureau of Labor Statistics



Skilled Workforce

The state's education system is a powerful factor contributing to the success of Kansas businesses. Kansas has a long history of investing in the education of our youth to provide a quality workforce for the jobs created by firms choosing to do business in this state. Both the public high school graduation rate and the percentage of the population with a bachelor's degree are above the national average.

In certain areas of the state we are well-above the national average, such as in Johnson County, Kansas (Kansas City metropolitan area), where over 50% of the adults, 25 and older, have a college degree. The progressive business climate, coupled with a top-notch educational system, has resulted in an adept, well-skilled workforce.

Characteristics of 2015-2016 High School Graduates			
	Total	Male	Female
4 - Year College or University	13,815	6,216	7,599
2 - Year College	9,833	4,826	5,007
Other Type College/Other Postsecondary	1,586	952	634
Employment	2,999	1,882	1,117
Unemployment	71	44	27
Parenting	97	9	88
Military Service	847	689	158
All Other Graduates/Status Unknown	4,604	2,348	2,256
Total	33,852	16,966	16,886
<i>Source: Kansas State Department of Education</i>			

	Percent of Adults Age 25 years and over with High School Diploma or Higher Education, 2016 (National Ranking)	Average ACT Composite Scores, 2016 (National Ranking)	Pupil-Teacher Ratio, Fall 2014 (National Ranking)	Percent of Adults Age 25 years and over with Bachelor's Degree or Higher Education, 2016 (National Ranking)
Kansas	90.5 (17)	21.9 (20)	13.2 (9)	32.8 (16)
California	82.4 (51)	22.6 (15)	23.6 (51)	32.9 (15)
Oklahoma	87.8 (34)	20.4 (31)	16.4 (38)	25.2 (44)
Illinois	88.8 (31)	20.8 (26)	15.5 (33)	34.0 (14)
Missouri	89.6 (27)	20.2 (35)	13.6 (13)	28.5 (34)
New York	86.3 (41)	23.9 (4)	13.5 (11)	35.7 (10)
U.S. Average	87.5	20.8	16.1	31.3
<i>Source: Kansas State Department of Education; ACT, ACT Newsroom; U.S. Department of Commerce, Census Bureau</i>				

In addition, Kansas has 26 technical and community colleges and seven universities throughout the state to provide a well-trained workforce for Kansas companies.

Kansas ranks 15th overall for business competitiveness based on 10 key economic factors, including workforce, education and transportation. In addition, through our workforce development initiatives, companies are receiving more value than ever from our workforce training and performance support.

Companies new to Kansas, or Kansas businesses needing to expand or restructure, may qualify for assistance under one of our workforce training programs. Our Workforce Services Division is customizing a growing reservoir of business-relevant training expertise within educational institutions tailored to help your company find the skilled labor you need to achieve results.

Kansas Employment by Sector <i>(thousands of jobs)</i>	2014	2015	2016	Percent Change 2014-2016
Total	1390.9	1402.3	1409.9	1.4%
Mining and Logging	10.5	8.5	6.9	-34.3%
Construction	59.8	61	61.2	2.3%
Manufacturing	162.3	161.3	160.4	-1.2%
Durable Goods	98.6	97.7	95.8	-2.8%
Non-Durable Goods	63.7	63.6	64.7	1.6%
Wholesale Trade	59.4	60	59.7	0.5%
Retail Trade	146.4	148.9	149.5	2.1%
Transportation and Utilities	56.1	56.4	57.7	2.9%
Information	21.9	21.1	20.7	-5.5%
Finance and Insurance	63.6	65.5	70.2	10.4%
Real Estate and Rental and Leasing	14.5	15.1	15.4	6.2%
Professional, Scientific, and Technical Services	69.2	71.6	73	5.5%
Management of Companies and Enterprises	26	26	24.4	-6.2%
Administrative and Support and Waste Management and Remediation Services	82.9	81.6	81	-2.3%
Educational Services	19.2	19.2	19	-1.0%
Health Care and Social Assistance	170.8	175.1	177.3	3.8%
Arts, Entertainment, and Recreation	16.1	16.2	16.6	3.1%
Accommodation and Food Services	106.8	109.6	110.7	3.7%
Other Services	48.6	48.6	50.5	3.9%
Government	256.9	256.5	255.9	-0.4%
Federal Government	24.9	25	25	0.4%
State Government	51.3	51.4	51.7	0.8%
Local Government	180.7	180.2	179.2	-0.8%
Source: U.S. Department of Labor, Bureau of Labor Statistics, 2017				

Workforce Data Resources

The Kansas Department of Labor (DOL) compiles a significant amount of information related to the workforce in Kansas that can be very useful for employers and prospective business considering Kansas. Information on the labor force participation rate, unemployment rate, wage surveys by region and occupational code, monthly labor report as well as other data compiled on labor is available at www.KansasCommerce.gov.

Education

The state's education system is one of the best in the nation and a powerful factor contributing to the success of many businesses. The high school graduation rate and percentage of the population with a bachelor's degree are both well above the national average. A progressive business climate, coupled with a top-notch education system, has resulted in an adept, well-skilled and highly trainable workforce. A study by the Kansas Board of Regents shows tuition and fees at the state's six universities compare favorably with colleges in five neighboring states.

Investing in the Future Workforce

Kansas has a long history of investing in the education of our youth to provide a quality workforce for the jobs created by firms choosing to do business in this state.

Career and Technical Education

Career and Technical Education (CTE) in Kansas embraces the needs of business and industry through the development of the foundational knowledge and skills aligned to the Kansas Workforce.

Kansas has 16 career clusters, for students to choose from, and there are 35 Career Cluster Pathways. A career cluster is a group of occupations similar in skill set training. Career Cluster Pathways are focused and specific areas of study leading to an area of industry or business. These occupations fall within seven career fields in Kansas – agriculture; business; design, production and repair; family and consumer sciences; health; media and technology; and public services. Kansas schools have 2,606 pathways across these fields.

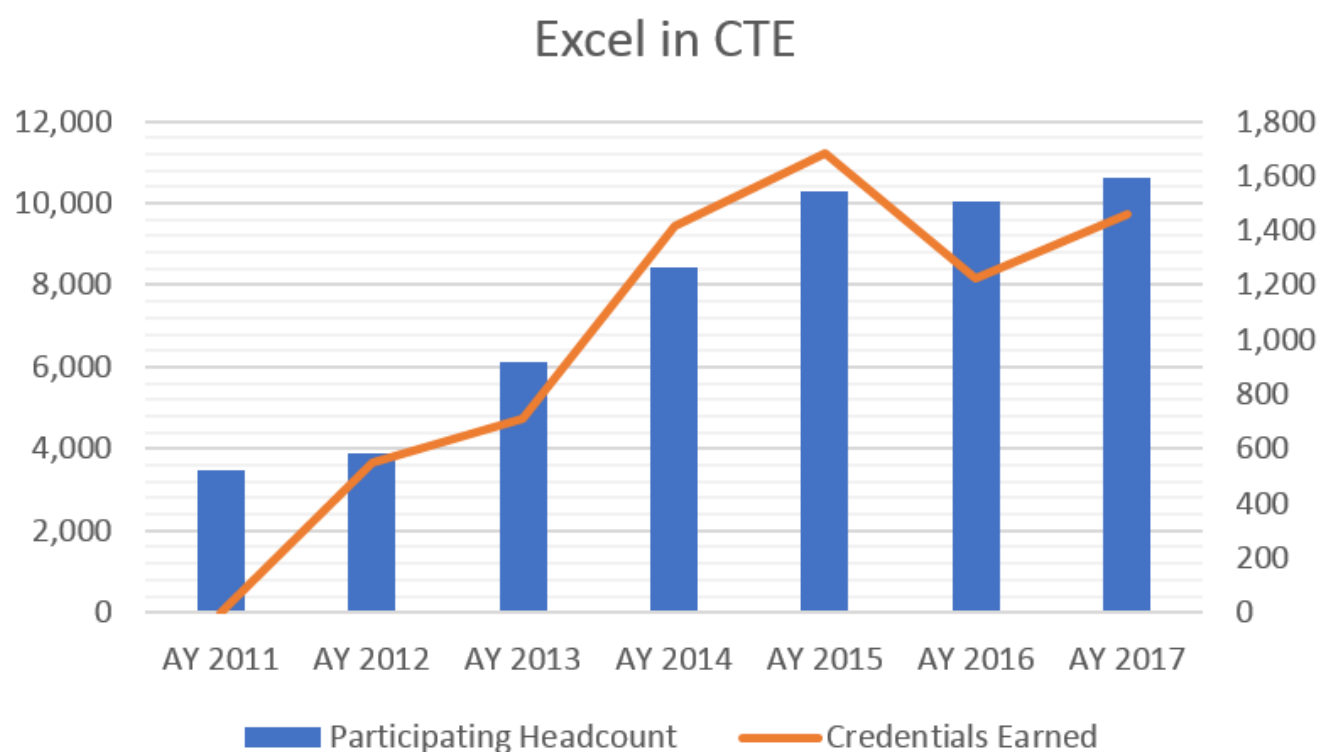
Career and Technical Student Organizations (CTSOs) enhance this instruction by offering opportunities to apply what is learned in a variety of ways, interact with adults in their selected Career Pathway, develop leadership and employability skills and address community issues through in-depth projects. Kansas' CTSOs are:

- Kansas Future Farmers of America
- Business Professionals of America
- DECA an Association of Marketing Students
- Future Business Leaders of America
- Family, Career and Community Leaders of America
- HOSA- Future Health Professionals
- SkillsUSA
- Technology Student Association

In 2017, students in Kansas enrolled in 140,000 CTE courses, and 23,000 students are in Kansas CTSOs. Kansas students earning three or more CTE credits have a 99 percent graduation rate.

Excel in CTE

Kansas Legislature enacted the Excel in CTE initiative to enhance career technical education by providing state-financed college tuition for high school students in postsecondary technical education courses. Postsecondary career technical education has experienced significant growth in the number of students participating in technical courses, the college credit hours generated, and credentials earned by students in high school since the inception of the initiative in 2012.



Program Alignment

The Kansas Postsecondary Technical Education Authority (TEA) enacted the Program Alignment initiative to enhance career and technical education in our state through the alignment of specific technical programs. The initiative is driven by the needs of businesses and industry in the state. Groups of business leaders are convened by the Kansas Department of Commerce and the Kansas Board of Regents with participation by program advisory committee members from our colleges to essentially “map” a preferred outcome for an occupational category.

The purposeful outcomes include:

1. Allows business and industry to identify value-added exit points within programs
2. Identify and support student acquisition of nationally recognized 3rd party industry credentials
3. Identify a “few” common courses that can serve as a bridge for articulation opportunities with K-12
4. Decrease the variability in program length

Aligned Programs Receiving Industry-Recognized Certification/Credential					
Aligned Program	Occupation Code	Associate of Applied Science	Certificate A	Certificate B	Certificate C
Registered Nursing	51.3801	X			
Automation Engineer Technology	15.0406	X			X
Automotive Collision & Repair	47.0603	X	X	X	X
Automotive Technology	47.0604	X	X	X	X
Carpentry/Construction	46.0201	X	X	X	X
Computer Support Specialists	11.1006	X	X	X	X
Corrections	43.0102	X	X		
Dental Assistant	51.0601	X		X	
Dental Hygiene	51.0602	X			
Diesel Technology	47.0605	X			X
Electrical Technology	46.0302	X		X	
Healthcare Documentation and Transcription Specialist	51.0708	X		X	
HVAC	47.0201	X		X	
Industrial Machine Mechanic	47.0303	X			X
Machine Technology	48.0501	X	X	X	X
Medical Assistant	51.0801	X		X	X
Medical Coding - Healthcare Coding	51.0713	X		X	X
Medical Laboratory Technician	51.1004	X			
Physical Therapist Assistant	51.0806	X			
Criminal Justice & Police Science	43.0104	X			X
Practical Nursing	51.3901				X
Radiologic Technology	51.0911	X			
Respiratory Therapy	51.0908	X			
Surgical Technologist	51.0909	X			X
Welding	48.0508	X	X	X	X

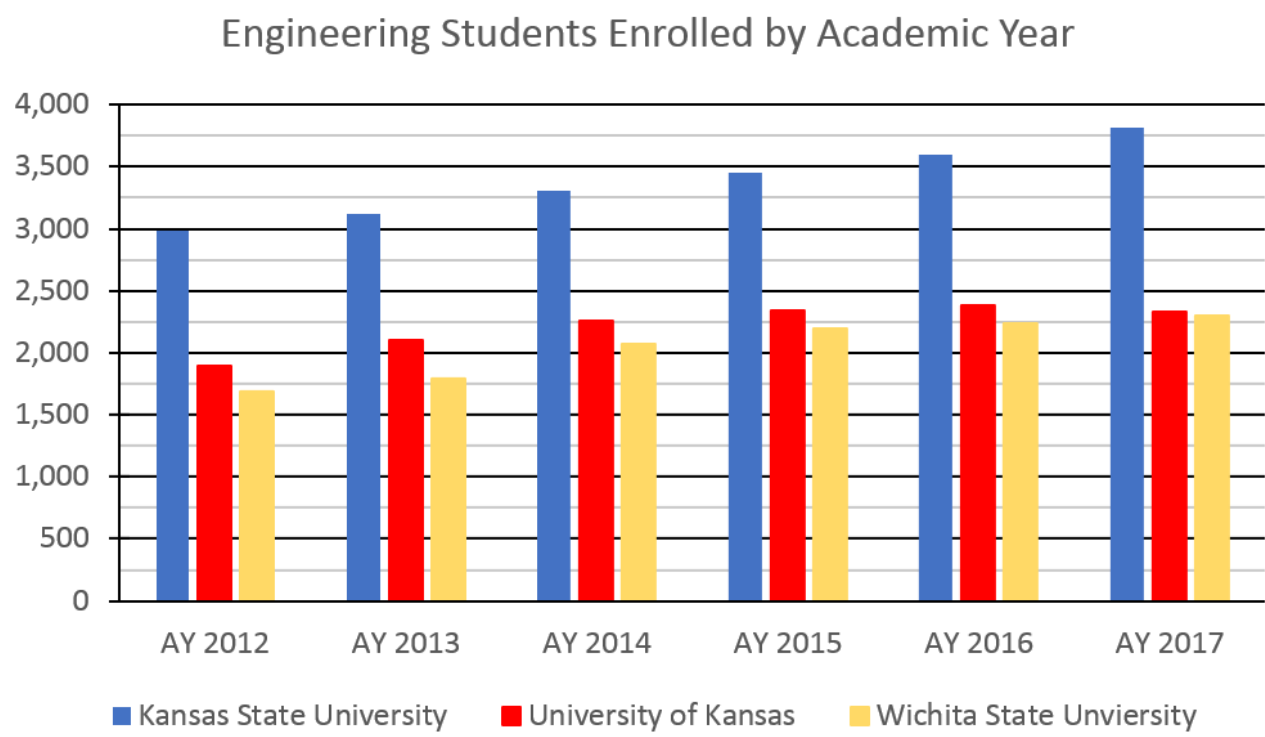
Accelerated Opportunity: Kansas

The number of adults who lack skills beyond a high school diploma is a significant national concern. In Kansas alone, there are over 700,000 working-age adults (ages 25-64) with no meaningful postsecondary credential. With significant concern of this trend continuing, more and more Kansas jobs are requiring workers with some form of postsecondary credential. Magnified by the difficulty faced by employers across the state, struggling to find qualified workers who can fill skilled positions, Kansas community and technical colleges play a vital role in promoting economic prosperity for all Kansans through this successful program.

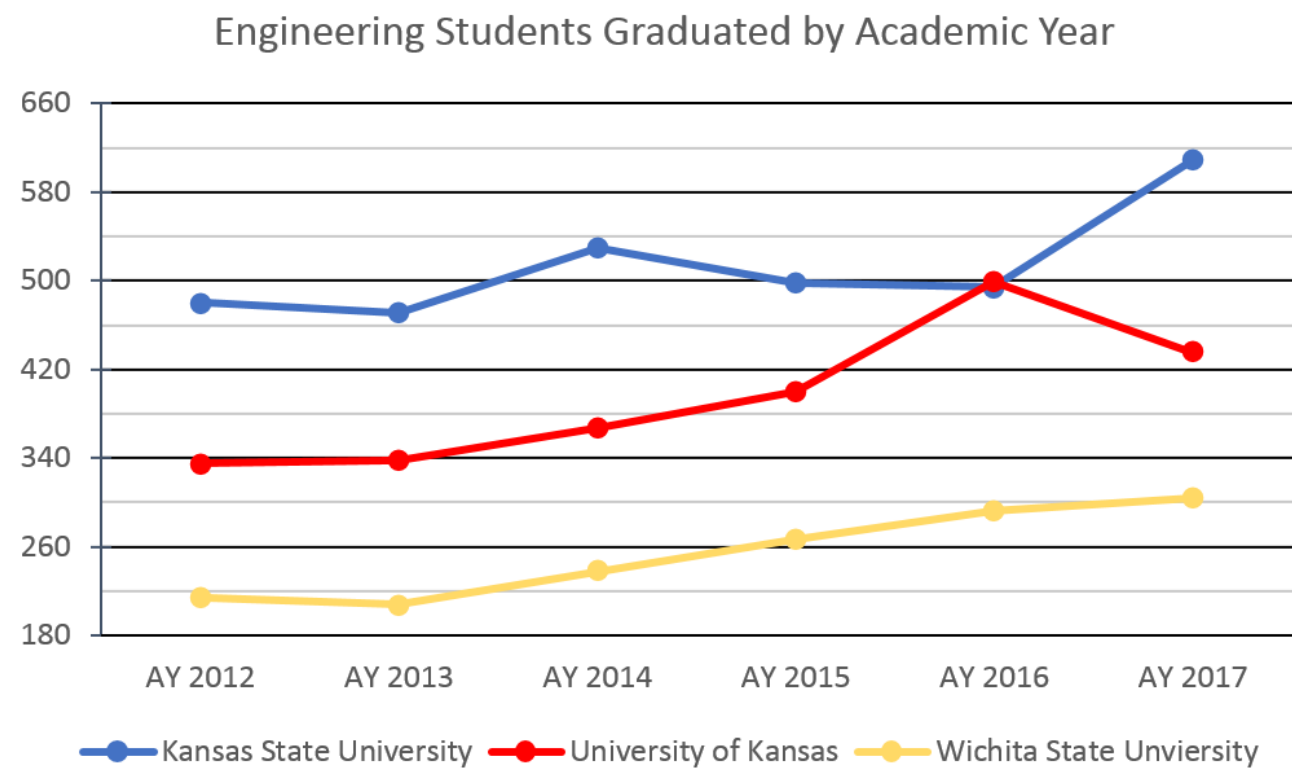
The Kansas Board of Regents, in partnership with the Kansas Department of Commerce, has implemented Accelerating Opportunity in Kansas (AO-K) to transform the delivery system for adult education in Kansas by delivering career and technical education at the same time as adult basic skills instruction within a career pathways framework. Students complete short-term certificate programs aligned with labor market needs, leading to industry-recognized credentials and leading to jobs with family sustaining wages.

Engineering Initiative

In 2012, the Legislature recognized the competitive need for an increase in the number of engineering graduates in Kansas and committed to invest \$105 million over 10 years to ensure engineering industry partners can find the new talent, designs and techniques needed to fuel economic growth and business success in Kansas. Kansas State University, Wichita State University and the University of Kansas each match this legislative investment, dollar for dollar, resulting in more than \$200 million being directed towards the education of engineers in Kansas.



Through increased enrollments, better connections for students at critical stages with Kansas companies, and increased opportunities for scholarships and internships, the three universities will increase undergraduate engineering degrees to 1,365 annually by 2021. As of AY 2017, the universities have exceeded expectations with the number of engineering graduates per year rising to 1,348.



Credit for Military Alignment

The Kansas Collaborative for Military Credit Advisory Council was created to ensure veteran/military students are granted appropriate academic credit for military training and education, in addition to overseeing improved practice in institutions accepting credit recommendations from the American Council on Education.

Through collaboration between 24 Kansas public postsecondary institutions, and the United States Army, Army University, the Medical Education Training Campus and the Kansas National Guard, 30 academic programs have been aligned with current military occupational specialties. These bridge programs formalize the credit that will be awarded to these service members upon enrollment in a given academic program.

Educating the Future Workforce

Primary and Secondary Schools

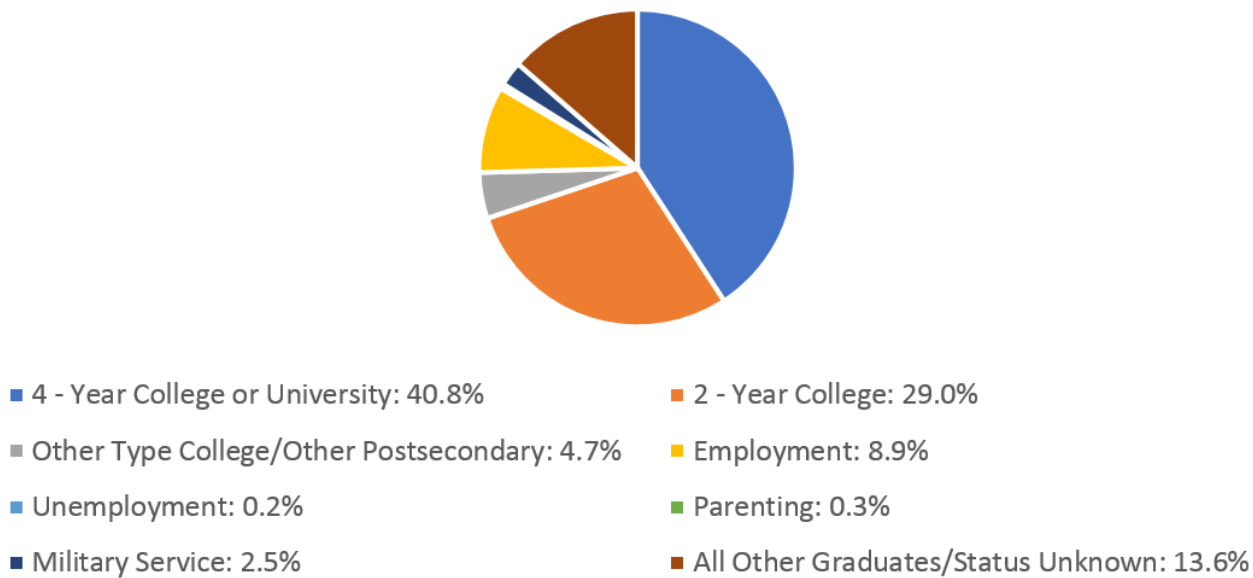
Nearly 500,000 Kansans, grades K-12, were enrolled at our primary and secondary public schools in 2017. Kansas has consistently exceeded the national average on several key statistics, including: pupil/teacher ratio, small class sizes, graduation rate, and minority graduation rate.

The Kansas education system provides a curriculum that combines a focus on 21st century skills and student outcomes with innovative support systems to help students master the multi-dimensional abilities required for their success in the future.

Average ACT Scores by State, 2016		
State	Average Score	Rank - Score (2016)
U.S. Average	20.8	-
Kansas	21.9	20
California	22.6	15
Colorado	20.6	28
Illinois	20.8	26
Missouri	20.2	35
Nebraska	21.4	23
New York	23.9	4
North Dakota	20.3	32
Oklahoma	20.4	31
Texas	20.6	28
Source: ACT, ACT Newsroom, ACT National and State Score		

Public School Pupil-Teacher Ratio Fall 2014		
State	Pupil-Teacher Ratio	Rank
U.S. Average	16.06	-
Kansas	13.20	8
California	23.58	50
Colorado	17.30	40
Illinois	15.48	32
Missouri	13.63	12
Nebraska	13.60	11
New York	13.45	10
North Dakota	11.78	2
Oklahoma	16.36	37
Texas	15.29	29
SOURCE: U.S. Department of Education, National Center for Education Statistics		

Characteristics of Kansas 2015-16 High School Graduates

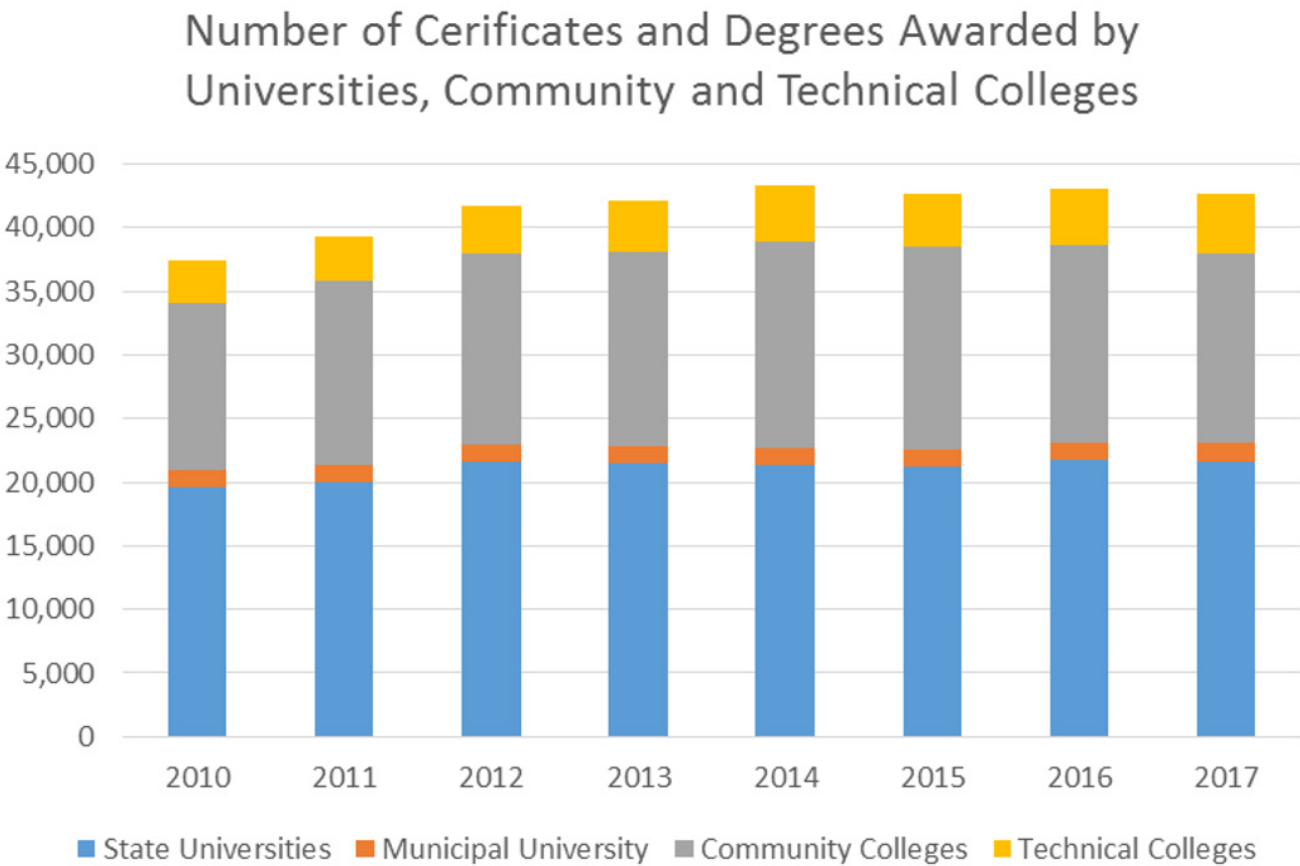


Source: Kansas Department of Education

Post-Secondary Institutions

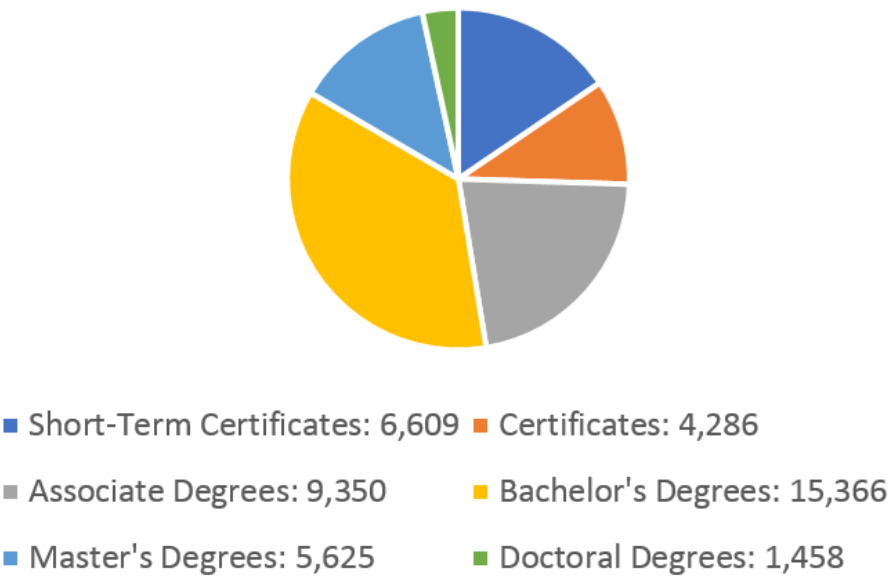
The public system of higher education within the State of Kansas includes four sectors: six state universities, one municipal university, 19 community colleges, and seven technical colleges. The Kansas Board of Regents governs the state universities and has coordinating authority over the other three sectors. Annually, the system enrolls more than 250,000 students in a wide array of academic disciplines and degree programs.

The system annually awards more than 42,000 credentials ranging from certificates to doctoral degrees. Programs at our public post-secondary institutions support our diverse industries with graduates educated in the most current industry practices.



Source: Kansas Board of Regents, Kansas Higher Education Reporting System

Systemwide Percentage of Completions by Credential Type, Academic Year 2017



Source: Kansas Board of Regents, Kansas Higher Education Reporting System

Credentials Given by Program, 2017	
Program Type	Credentials
01) Agriculture, Agriculture Operations and Related Sciences	931
03) Natural Resources and Conservation	68
04) Architecture and Related Services	227
05) Area, Ethnic, Cultural, Gender, and Group Studies	72
09) Communication, Journalism, and Related Programs	953
10) Communications Technologies/Technicians and Support Services	149
11) Computer and Information Sciences and Support Services	818
12) Personal and Culinary Services	313
13) Education	3,209
14) Engineering	1,534
15) Engineering Technologies and Engineering-Related Fields	902
16) Foreign Languages, Literatures, and Linguistics	217
19) Family and Consumer Sciences/Human Sciences	527
22) Legal Professions and Studies	304
23) English Language and Literature/Letters	268
24) Liberal Arts and Sciences, General Studies and Humanities	6,763
25) Library and Information Science	146
26) Biological and Biomedical Sciences	753
27) Mathematics and Statistics	206
29) Military Technologies	^
30) Multi/interdisciplinary Studies	502
31) Parks, Recreation, Leisure, and Fitness Studies	618
35) Interpersonal and Social Skills	-
38) Philosophy and Religious Studies	43
40) Physical Sciences	386
41) Science Technologies/Technicians	102
42) Psychology	810
43) Homeland Security, Law Enforcement, Firefighting, and Related Protective Services	454
44) Public Administration and Social Service Professionals	641
45) Social Sciences	885
46) Construction Trades	442
47) Mechanic and Repair Technologies/Technicians	1,068
48) Precision Production	826
49) Transportation and Materials Moving	263
50) Visual and Performing Arts	796
51) Health Professions and Related Programs	11,693
52) Business, Management, Marketing, and Related Support Services	4,607
54) History	194
99) Unknown	^
Total	42,694
^ = Between 1-9 Students, data omitted for student privacy	
Source: Kansas Board of Regents, Kansas Higher Education Reporting System	

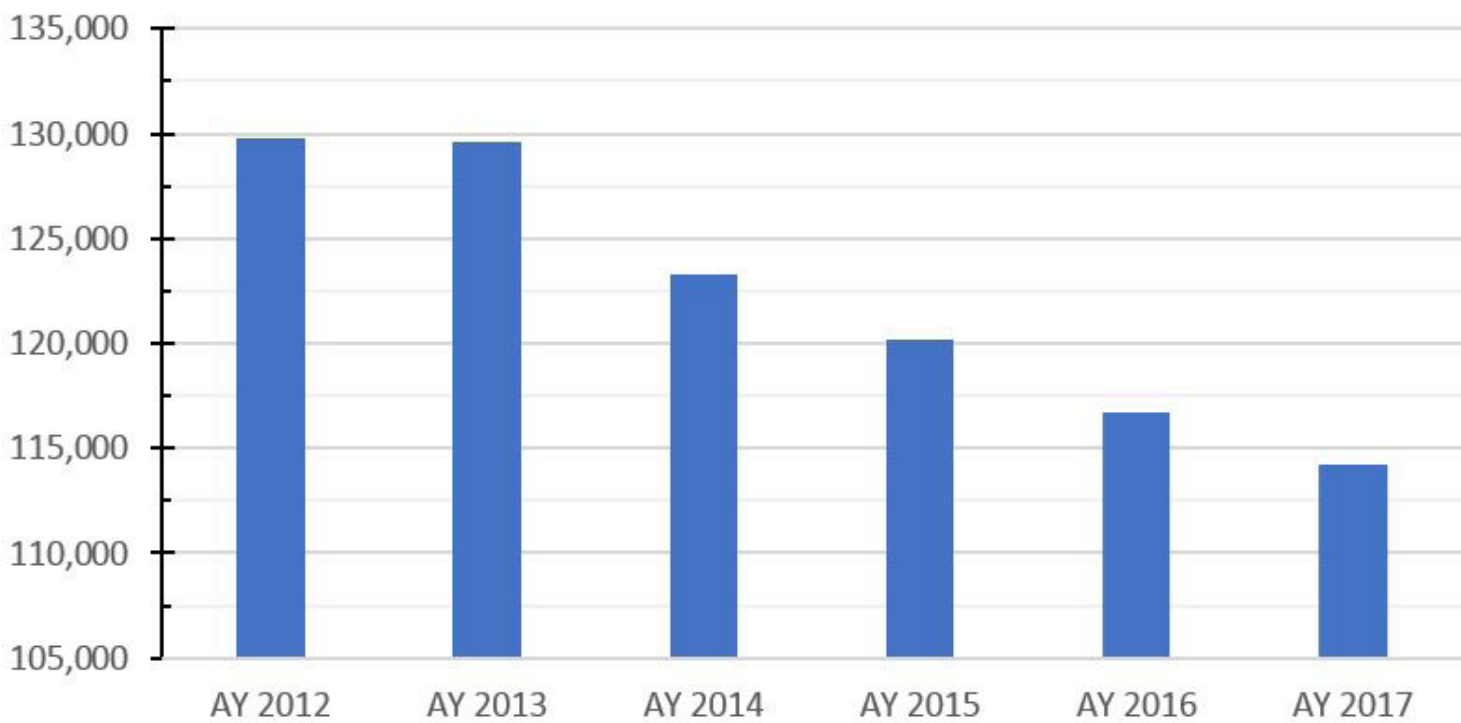
Community Colleges

Kansas provides strong technical education through a network of 19 public community colleges that are located across the state. These colleges provide education and training for your incoming workforce and current employees.



Almost 115,000 students were enrolled at our community colleges at the beginning of the 2017 academic year (AY).

Total Headcount at Community Colleges in Kansas

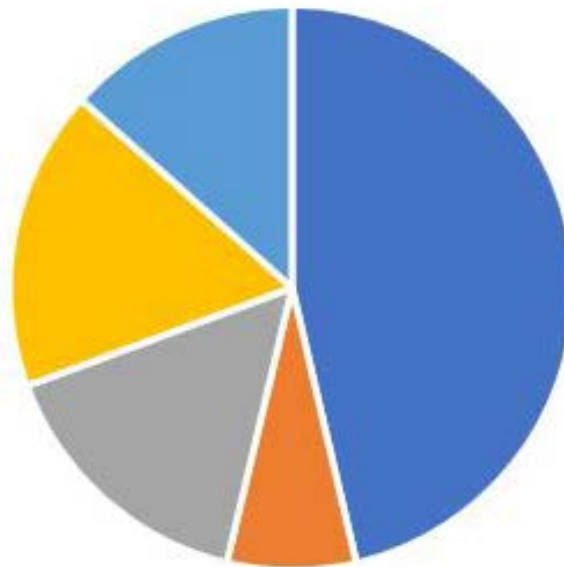


Source: Kansas Board of Regents, Kansas Higher Education Reporting System

Our community colleges annually award over 15,500 certificates and associate degrees. Certificates include Short-Term Certificates (<16 Credit Hours); Technical Certificates: A (16-29 Credit Hours), B (30-44 Credit Hours), C (45-59 Credit Hours); and Associate Degrees (60+ Credit Hours).

Programs at our public post-secondary institutions support our diverse industries with graduates educated in the most current industry practices.

Degrees Awarded by Type, Academic Year 2017



- Short-Term Certificates: 2,157
- Technical Certificates - A: 343
- Technical Certificates - B: 728
- Technical Certificates - C: 802
- Associate Degrees: 624

Source: Kansas Board of Regents, Kansas Higher Education Reporting System

Technical Colleges

Kansas provides strong technical education through a network of seven public technical colleges that are located across the state. These colleges provide education and training for your incoming workforce and current employees.



Technical College Locations

1. Flint Hills Technical College

2. Manhattan Area Technical College

3. North Central Kansas Technical College

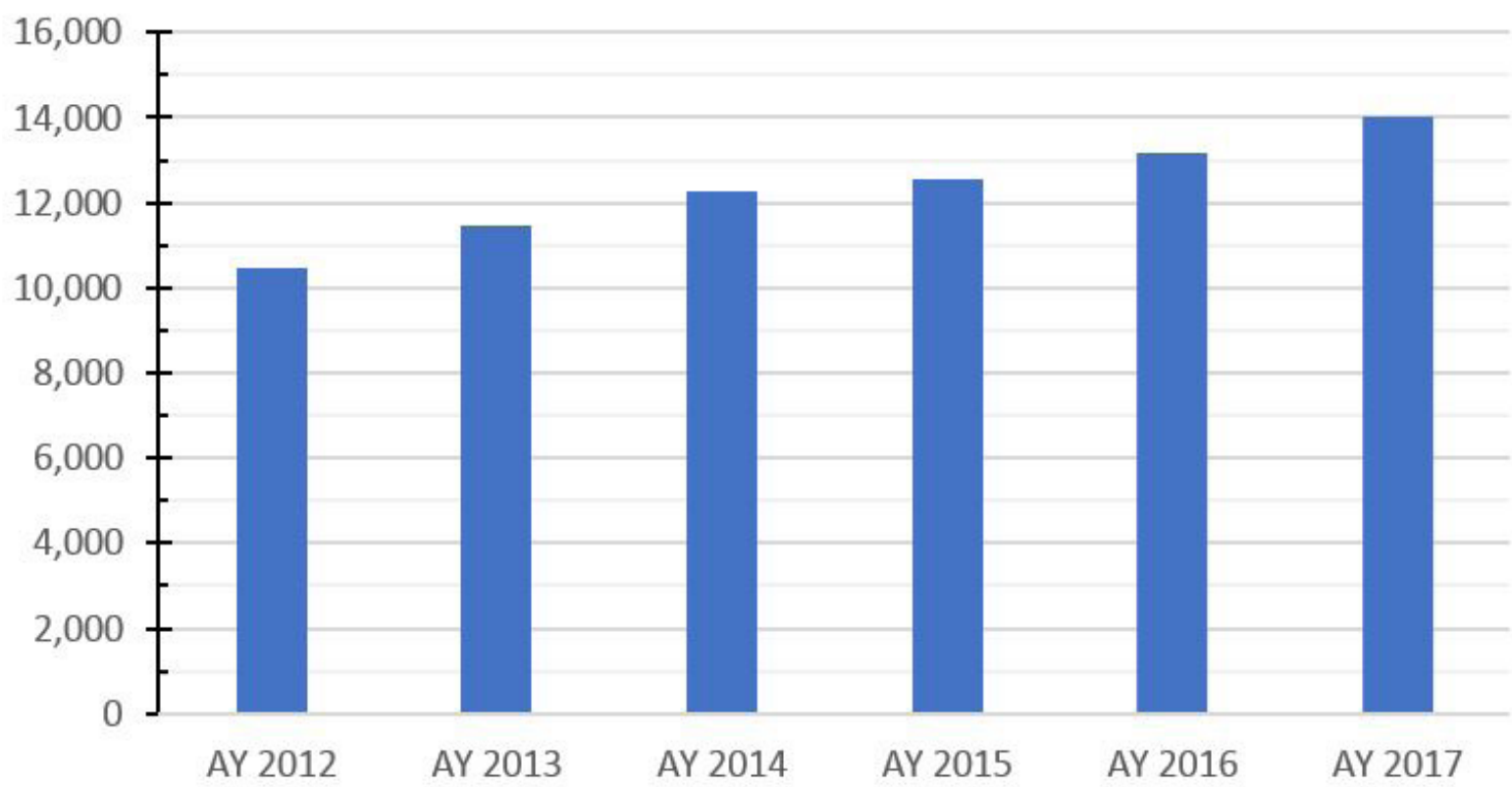
4. Northwest Kansas Technical College

5. Salina Area Technical College
6. Washburn Institute of Technology

7. Wichita Area Technical College

More than 14,000 students were enrolled at our technical colleges at the beginning of the 2017 academic year (AY).

Total Headcount at Technical Colleges in Kansas



Source: Kansas Board of Regents, Kansas Higher Education Reporting System

Our technical colleges annually award over 4,200 certificates and associate degrees. Certificates include Short-Term Certificates (<16 Credit Hours); Technical Certificates: A (16-29 Credit Hours), B (30-44 Credit Hours), C (45-59 Credit Hours); and Associate Degrees (60+ Credit Hours).

Degrees Awarded by Type, Academic Year 2017

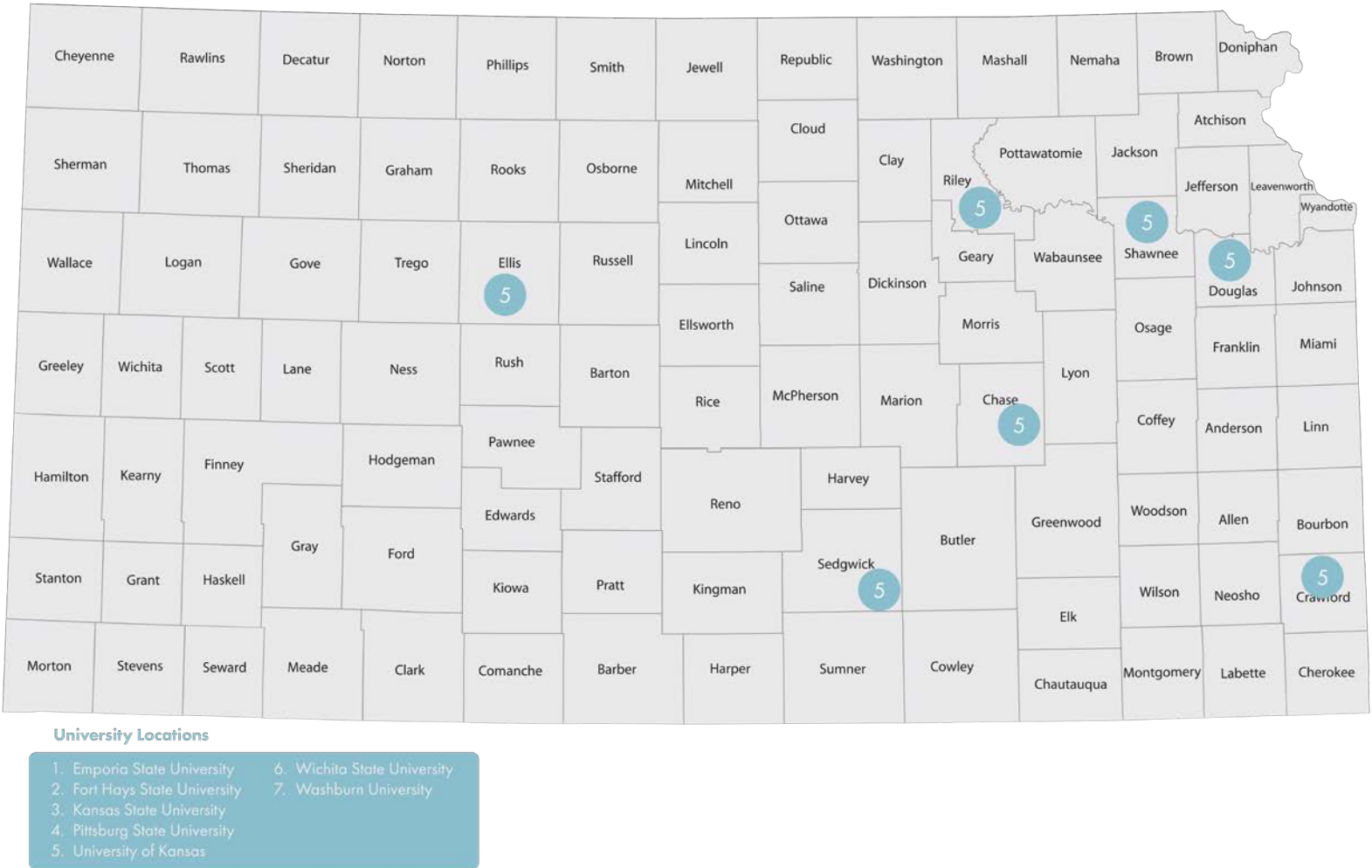


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- Associate Degrees: 624

Source: Kansas Board of Regents, Kansas Higher Education Reporting System

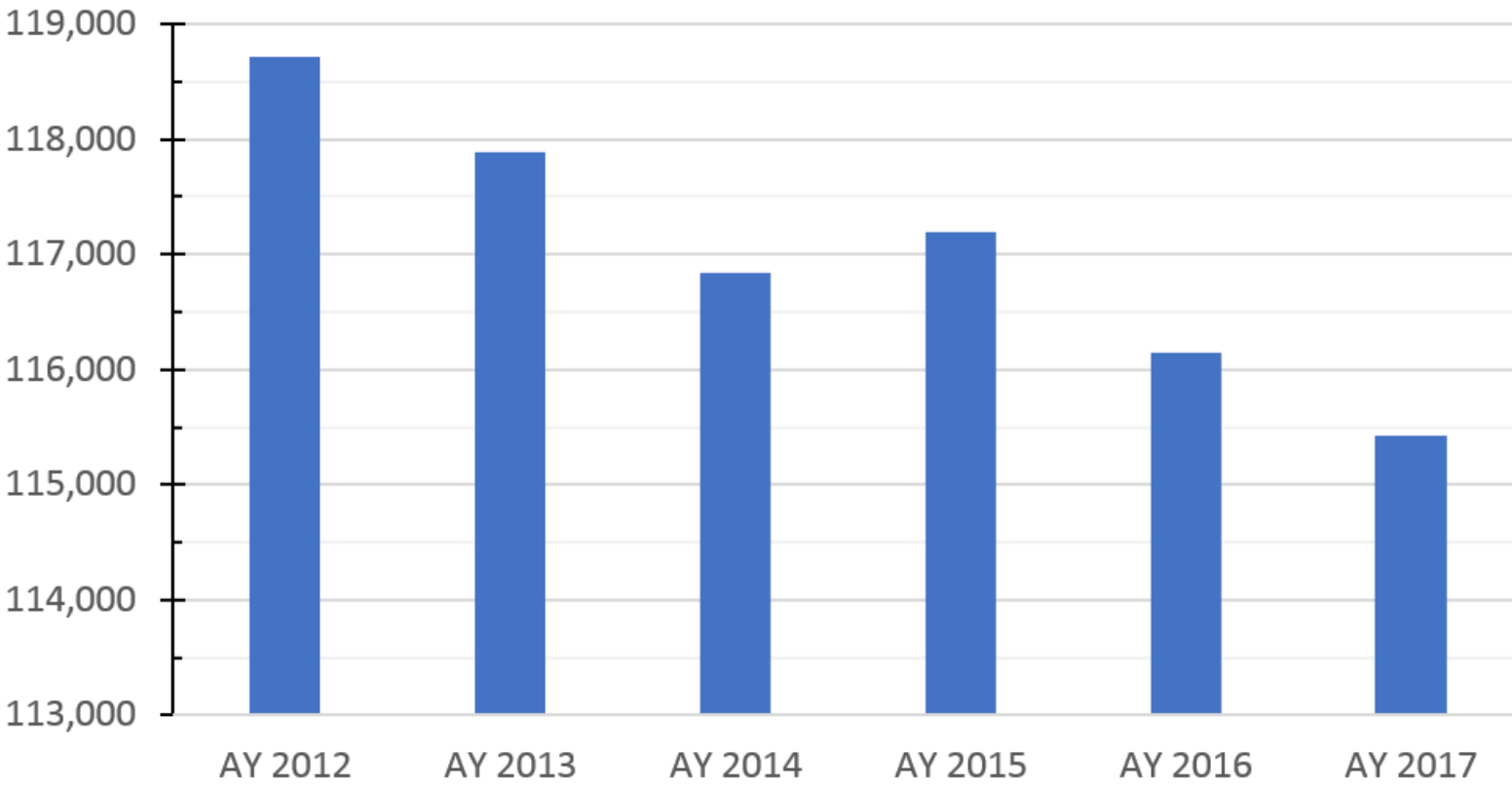
Universities

Kansas universities play a key role in the state’s economic development strategy, particularly in the crucial areas of research and continuing education.



More than 115,000 students were enrolled at Kansas universities at the beginning of the 2017 academic year.

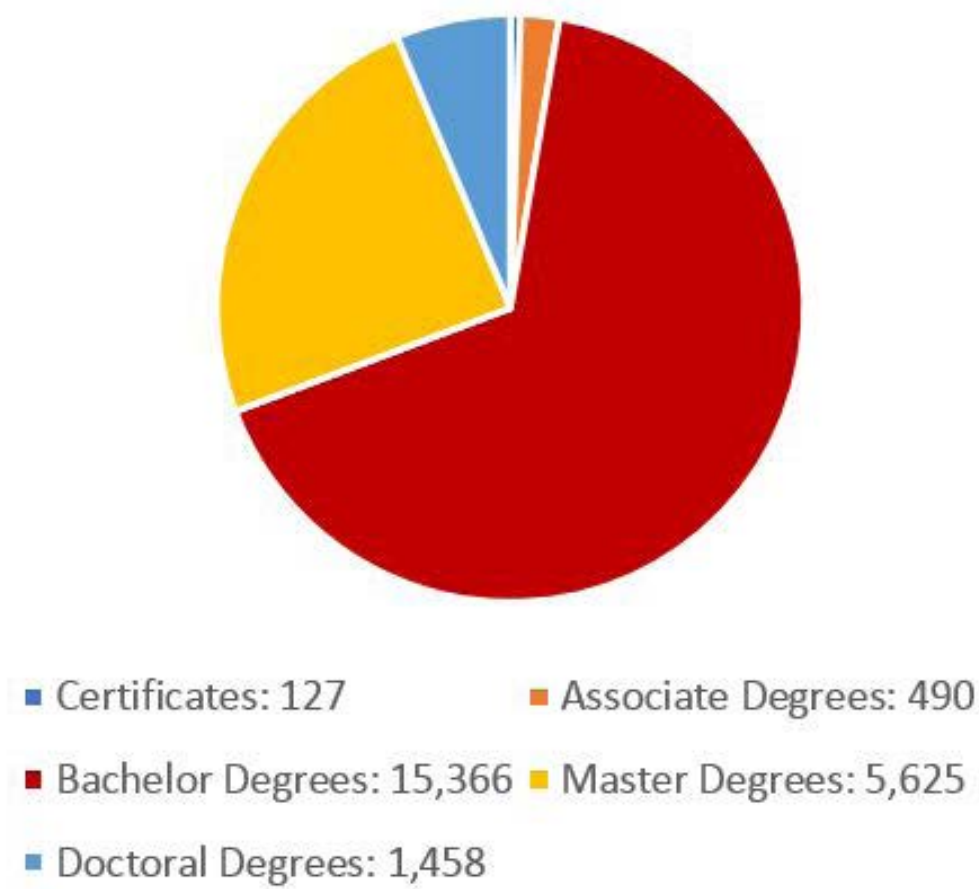
Total Headcount at Universities in Kansas



Source: Kansas Board of Regents, Kansas Higher Education Reporting System

Our seven state universities annually award more than 22,000 Certificates, Associate Degrees, Bachelor Degrees Master Degrees and Doctoral Degrees. Credit hours fo the certificate and degree programs are dictated by the Kansas Board of Regents.

Degrees Awarded by Type, Academic Year 2017



Source: Kansas Board of Regents, Kansas Higher Education Reporting System



University Profiles

University of Kansas

The University of Kansas (KU), with an enrollment of more than 29,400 students and 2,500 faculty members, ranks among the nation's top 50 public universities and is one of just 34 public schools in the prestigious Association of American Universities. It has a strong research portfolio, with many opportunities available to partner with businesses. It's also considered one of the nation's best college buys, with tuition below the majority of its research university peers.

KU's main campus is in Lawrence, while the KU Medical Center is in Kansas City. There are also KU campuses in Overland Park, Salina and Wichita, and educational and research centers in Garden City, Hays, Parsons, Pittsburg, Topeka and Yoder.

The university has a strong research commercialization focus, with three business incubator facilities located in Lawrence and at the KU Medical Center housing both university spin-outs and companies eager to partner with researchers at the university. Externally funded research at all KU campuses grew to \$225 million in FY 2010, and continues to grow each year.

Access to leaders in their respective disciplines is demonstrated by KU's graduate programs, 48 of which are ranked in the top 50 by *U.S. News & World Report*. Special education and city management/urban policy programs each rank first among public university programs.

In addition, students choosing KU are eligible for new, four-year renewable scholarships for freshmen and two-year scholarships for transfer students, based on academic performance. This means prospective students can visit www.affordability.ku.edu and know what scholarships they qualify for even before they apply. KU's in-state tuition and fees are the 28th lowest among the 34 public members of the Association of American Universities.

What you may not know about the University of Kansas:

- The School of Pharmacy is ranked No. 4 by the National Institutes of Health for amount of grant funded research, the only Big 12 program in the top 10.
- The KU School of Medicine was ranked a top five school nationally for fulfilling its social mission to train primary care physicians to work in underrepresented areas. The school expanded its two-year program at the Wichita campus into a four-year program and opened a new Salina campus designed specifically to train doctors for careers in rural communities.
- The University of Kansas Cancer Center earned National Cancer Institute designation in June 2012. NCI-designated Cancer Centers are recognized for their scientific excellence and are awarded federal funding through a rigorous peer review process.

Selected Specialty Programs - University of Kansas		
Category	Program Name	City
Aeronautics/Aviation	Flight Research Laboratory	Lawrence
Agriculture	Fungal Genetics Stock Center	Kansas City
BioScience/Medical	Beach Center on Disability	Lawrence
	Biobehavioral Neurosciences in Communication Disorders	Lawrence
	Center for Biomedical Research: Cancer Experimental Therapeutics	Lawrence
	Center for Biomedical Research: Protein Structure and Function	Lawrence
	Center for Biostatistics and Advanced Informatics	Kansas City
	Center for Health Informatics	Kansas City
	Center for Reproductive Sciences	Kansas City
	Center for TeleMedicine & TeleHealth	Kansas City
	General Clinical Research Center	Kansas City
	Higuchi Biosciences Center	Lawrence
	Hoglund Brain Imaging Center	Kansas City
	Institute for Advancing Medical Innovation	Lawrence
	Institute for Advancing Medical Innovation	Kansas City
	Institute for Neurological Disorders	Kansas City
	The University of Kansas Cancer Center	Kansas City
Biotechnology	Bioengineering Research Center	Lawrence
	Biomechanics Engineering Laboratory	Lawrence
	Biotechnology Innovation and Optimization Center	Lawrence
Business/Economy Mgmt.	Institute for Policy & Social Research	Lawrence
Business/International	Center for International Business Education & Research	Lawrence
Energy	Center for Environmentally Beneficial Cataysis	Lawrence
	KU Energy Council	Lawrence
Engineering	Infrastructure Research Institute	Lawrence
	Radar Systems & Remote Sensing Laboratory	Lawrence
Engineering/Chemical	Kurata Thermodynamics Laboratory Research Center	Lawrence
Engineering/Computer-aided Systems	Computer Systems Design Laboratory	Lawrence
	e-Learning Design Laboratory	Lawrence
	Intelligent Systems and Automation Laboratory	Lawrence
	Kansas Center for Advanced Scientific Computing	Lawrence
Environment	Biodiversity Institute	Lawrence
	Kansas Biological Survey	Lawrence
Geology	Isotope Geochemistry Laboratory	Lawrence
	Kansas Applied Remote Sensing Laboratory	Lawrence
	Kansas Geological Survey	Lawrence
Hydrology	Water Quality & Fresh Water Ecology Program	Lawrence
Information Networking and Telecommunications	Information and Telecommunications Technology Center	Lawrence
Oil Recovery & Production	Tertiary Oil Recovery Project	Lawrence
Technology Transfer	KU Center for Technology Commercialization	Lawrence
	KU Center for Technology Commercialization	Kansas City
Transportation	Kansas University Transportation Center	Lawrence
	Transportation Research Institute	Lawrence

Kansas State University

Kansas State University (K-State) is a major comprehensive public research university with a faculty of more than 1,150 and an enrollment of more than 23,500 students. Named one of the best public universities in America, K-State's three-campus system (Manhattan, Olathe and Salina) serves students across Kansas, the nation and the world with more than 250 undergraduate majors and options, 110 graduate majors and a number of undergraduate and graduate certificate programs in multiple disciplines.

K-State is a recognized leader in animal health and food safety and security, which is drawing national research centers to Manhattan: the U.S. Department of Homeland Security's National Bio- and Agro-Defense Facility, the U.S. Department of Agriculture's Center for Excellence in Emerging and Zoonotic Animal Diseases, and the Arthropod-Borne Animal Disease Research Unit.

As a growing national hub for research, K-State faculty researchers have brought in \$506.4 million in extramural funding in FY 2017 through 1,400 research grants and private donations. This research expertise is getting national attention. K-State was cited as one of the reasons why Manhattan tops Forbes Magazine's list of the best small places for business and careers.

Leading publications are calling K-State one of the best colleges in the nation, including *U.S. News and World Report* and *The Princeton Review's* Best 373 Colleges. And with nods from *Military Advanced Education* magazine and *G.I. Jobs* magazine, K-State is a perennial selection as one of the nation's most military-friendly universities.

Students at K-State are among the nation's best. K-State is the only public university over the past 15 years to rank among the top 10 of all U.S. schools in five major scholarship programs: Rhodes, Marshall, Truman, Goldwater and Udall. K-State students receive Truman, Goldwater and Udall scholarships, a Boren Fellowship, two Fulbright awards and four National Science Foundation Graduate Research Fellowships; a K-State team earned a national championship in debate; a K-Stater was crowned a national forensics champion and two K-State doctoral students were ranked among the top 20 in the world for their research.

K-State's land-grant mission is thriving. The Carnegie Foundation awarded K-State the Community Engagement Classification, an honor that recognizes higher education institutions that collaborate with their larger communities and understand the benefits of a reciprocal exchange of knowledge and resources.

K-State's commitment to sustainability is earning national recognition. K-State is the only public university in Kansas selected for *The Princeton Review's* Guide to 311 Green Colleges, and K-State has the first building at a state higher education institution to be LEED certified: the School of Leadership Studies Building earned LEED gold certification.

K-State's research and academic successes are being matched by philanthropic support of the university, which is at an all-time high. The Kansas State University Foundation set a fundraising record of \$107 million, while the athletic department's Ahearn Fund surpassed its goal by more than \$1 million and set a new record for total gifts to the department.

And to keep the university's momentum growing, the university family is embarking on a visionary, campus-wide campaign to move K-State forward by being recognized as a top 50 public research university by 2025.

What you may not know about Kansas State:

- *The Princeton Review* ranks K-State No. 3 for best quality of life; No. 5 for great campus and community relations; No. 5 for athletic schools; No. 7 for happiest students; No. 11 for best career services; No. 11 in the “students who pack the stadiums” category; and No. 14 for best-run colleges.
- K-State is the first land-grant university in the nation to offer classes and the first public university in Kansas.
- K-State is the only research and doctoral university in the nation with three CASE/Carnegie U.S. professors of the year, all of whom teach undergraduate classes.
- K-State is the most popular college choice among Kansas high school seniors.

Selected Specialty Programs - Kansas State University		
Category	Program Name	City
Aeronautics/Aviation	Kansas State University Department of Aviation	Salina
Agriculture	Agricultural Experiment Station	Manhattan
	Agronomy Research Farm	Manhattan
	Food & Feed Grains Institute	Manhattan
	Grain Marketing Research Laboratory	Manhattan
	Kansas Center for Sustainable Agriculture & Alternative Crops	Manhattan
	The Beef Cattle Institute	Manhattan
	Wheat Genetics Research Center	Manhattan
Baking	American Institute of Baking	Manhattan
BioScience/Medical	Biotechnology Core Facility	Manhattan
Biotechnology	Biotechnology Core Facility	Manhattan
	Center for Basic Cancer Research	Manhattan
Business/Economy Mgmt.	Center for Economic Education	Manhattan
Energy	National Gas Machinery Laboratory	Manhattan
Engineering	Accelerated Testing Laboratory	Manhattan
Engineering/Computer-aided Systems	Institute for Computational Research in Engineering	Manhattan
	Institute for Environmental Research	Manhattan
	Kansas Center for Advanced Scientific Computing	Manhattan
Environment	Center for Hazardous Substance Research	Manhattan
Manufacturing Technology	The Advanced Manufacturing Institute	Manhattan
Nuclear Standards	Neutron Activation Laboratory	Manhattan
Transportation	Center for Transportation Research and Training	Manhattan
	Engineering Experiment Station	Manhattan

Wichita State University

Wichita State University (WSU) is a comprehensive urban-serving research university of more than 14,000 students and more than 500 faculty in Wichita, Kansas. WSU offers graduate (masters and doctorate) and undergraduate degree programs in six colleges and 39 academic departments.

The University offers more than 60 undergraduate degree programs in more than 200 areas of study in six undergraduate colleges. The Graduate School offers an extensive program, including 44 master’s degrees in more than 100 areas.

The University is classified as an “R2: Research Universities (higher research activity)” in the Carnegie Classification of Institutions of Higher Education. The University offers internationally recognized research programs in aviation and advanced materials. WSU is a training partner for the National Center for Aviation Research (NIAR). Being a part of WSU gives NIAR a distinct advantage, having an excellent academic connection from which to draw the most outstanding aviation researchers. The University research programs attract approximately \$45 million in external funding annually.

WSU’s cooperative education program, which offers students the opportunity to earn credit along with job experience, is among the largest and most successful of its kind in the Midwest. Students are placed not only in local companies, but also at national organizations such as the National Aeronautics and Space Administration.

What you may not know about Wichita State:

- Via Christi Health System and WSU researchers have partnered to create the Center of Innovation for Biomaterials in Orthopedic Research (CIBOR) in Wichita. CIBOR’s goals include: development of medical devices that can be quickly brought to market, such as surgical instruments, stretchers and operating tables that do not require a long FDA-approval process; and longer-term development of advanced implantable devices, such as artificial hips and knees.
- NIAR is a Center of Excellence for General Aviation Research and the headquarters for the Center of Excellence for Composites and Advanced Materials. Other government organizations have also designated NIAR as a research hub. NASA sponsors the National Center for Advanced Materials Performance, located within NIAR, and the National Science Foundation has named WSU/NIAR as a Center for Friction Stir Processing.

Selected Specialty Programs - Wichita State University		
Category	Program Name	City
Aeronautics/Aviation	National Institute for Aviation Research	Wichita
Business/Economy Mgmt.	Center for Entrepreneurship	Wichita
	Center for Management Development	Wichita
	Hugo Wall School of Urban and Public Affairs	Wichita
Business/International	World Trade Council	Wichita
Energy	Center for Energy Studies	Wichita
Engineering/Computer-aided Systems	Kansas Center for Advanced Scientific Computing	Wichita

Pittsburg State University

Pittsburg State University (PSU) is a comprehensive regional university providing more than 200 undergraduate and graduate programs in its College of Arts and Sciences, Kelce College of Business, College of Education and College of Technology. PSU has an enrollment of more than 7,000 and is located in Pittsburg.

Students who choose PSU find a traditional campus atmosphere and strong accredited programs in a wide variety of fields at an affordable price. Under the university’s flat-rate tuition plan, cost-conscious full-time students pay one rate, regardless of how many hours they carry.

In addition to strong pre-professional programs in the health sciences, the university boasts AACSB accreditation for its Kelce College of Business and NCATE accreditation for its highly regarded teacher education programs in its College of Education.

PSU’s College of Technology is a special point of pride for the university and is home to more than 30 nationally known programs in automotive technology, construction management and construction engineering technologies, engineering technology, graphics and imaging technologies and technology and workforce learning. Some of the programs, such as Plastics Engineering Technology, are ranked among the top in the nation.

PSU is also the home of the Kansas Polymer Research Center (KPRC), which specializes in research on bio-based polyols used to replace petroleum products in manufacturing. KPRC scientists were honored by the National Academy of Sciences with the Presidential Green Chemistry Challenge Award.

What you may not know about Pittsburg State:

- Pittsburg State’s plastics, automotive and wood technology programs are among the only programs of their type in the nation.
- PSU’s Gladys A. Kelce College of Business is one of only around 100 schools in the country to earn the Information Systems Security certification by the Committee on National Security Systems, and one of 28 colleges that offer a program in Endorsed Internal Auditing.
- The job placement rate for Pittsburg State Nursing graduates is typically around 100 percent.

Selected Specialty Programs - Pittsburg State University		
Category	Program Name	City
Business/Economy Mgmt.	Business & Technology Institute	Pittsburg
Measurement Standards	International Standards Organization	Pittsburg
Plastics	Kansas Polymer Research Center	Pittsburg
Technology Transfer	The Kansas Polymer Research Center	Pittsburg

PSU’S KELCE COLLEGE OF BUSINESS

RANKED 5th

*on the Princeton Review’s **most family-friendly business schools in the nation.***

Emporia State University

Emporia State University (ESU), located in Emporia,, enrolls more than 6,000. ESU was named a Tier 1 university in the U.S. News & World Report’s “Best Colleges.”The school offers a high level of individual academic instruction from faculty and offers the best career services. ESU’s Teachers College is highly regarded and was named as one of the four model teacher preparation programs in the nation. Its Professional Development School model of elementary teacher training, modeled after physician residency programs, was held up by the U.S. Department of Education as a model for the 21st century. ESU is home to the National Teachers Hall of Fame and the Jones Institute for Educational Excellence, which works to enhance the quality of education in Kansas through research, training and policy analysis.

What you may not know about Emporia State:

- The William Allen White Children’s Book Award Program, the first statewide reader’s choice award in the nation, was established at ESU in 1952.
- ESU does not charge by the credit hour. A full-time student may take 10 or more hours and not have to pay any additional tuition. Emporia State University is one of only two Regents universities in Kansas offering this great flat rate.
- ESU students will develop and improve leadership skills in the Leadership Education and Development (LEAD) program. This program connects students who want to get practical experiences.
- ESU’s School of Business was recognized by U.S. News and World Report being the least expensive graduate program for both in-state and out-of-state students.

Selected Specialty Programs - Emporia State University		
Category	Program Name	City
Business/Economy Mgmt.	Center for Economic Education	Emporia

ESU IS THE FIRST

AND ONLY

*Kansas public university to be designated
as a **College of Distinction***

Fort Hays State University

Fort Hays State University (FHSU) is a regional comprehensive university with more than 12,000 students and approximately 350 faculty. FHSU is located in Hays, which has been recognized as the third-best college town in America among small cities.

FHSU is known for its innovation and entrepreneurship. Among the universities in the Kansas Board of Regents system, FHSU has the unique mission to integrate computer and telecommunications technology with the educational environment and the work place. Through its Department of Informatics, FHSU serves as both a local and regional academy for Cisco Systems, the worldwide leader in networking for the Internet. The U.S. government has designated the university a National Center of Academic Excellence in Information Assurance.

The Carnegie Foundation for the Advancement of Teaching selected the university for its Community Engagement Classification in both the Curricular Engagement category and the Outreach and Partnerships category. FHSU serves as administrator of the Kansas Small Business Development Center network, which is a partnership with the U.S. Small Business Administration and the Kansas Department of Commerce. Also, FHSU’s Docking Institute of Public Affairs facilitates effective decision-making among governmental and non-profit leaders through applied research, training and strategic planning.

With the lowest tuition in the region, FHSU offers its students hands-on learning with close attention from faculty that prepares them with a global perspective, professional skills and confidence to pursue successful careers. Students can pursue majors in more than 30 academic departments in four colleges and a Graduate School. In addition to classes on the Hays campus, FHSU has an international presence with more than 4,000 students from nearly all 50 states and several foreign nations enrolled in its Virtual College. In addition, FHSU has about 3,500 students at partner universities in China.

What you may not know about Fort Hays State:

- FHSU was the first American university to be approved by the Ministry of Education of the People’s Republic of China to offer dual bachelor’s degrees under the framework of the Sino-Foreign University of Cooperation in Running Schools.
- With more than 30 award-winning programs offered worldwide, FHSU’s Virtual College is the global leader in online education. FHSU is proud to have partnerships with every branch of the U.S. Military.

Selected Specialty Programs - Fort Hays State University		
Category	Program Name	City
Business/Economy Mgmt. Information Networking and Telecommunications	Docking Institute for Public Affairs	Hays
	Information Networking and Telecommunications	Hays
	Kansas CISCO Networking Academy System	Hays
	National Center for Academic Excellence in Information Assurance	Hays

Washburn University

Washburn University (WU), located in Topeka is a municipal university enrolling more than 7,000 students. Through the College of Arts and Sciences and schools of Law, Business, Nursing and Applied Studies, Washburn students have access to more than 200 programs of study. Graduate degrees are also offered at Washburn, and the law school is nationally ranked. The Washburn School of Business has earned accreditation from The Association to Advance Collegiate Schools of Business, the oldest and largest business school accreditation organization in the world.

With a low student-faculty ratio of 16- to-1, students receive personalized, quality education from a qualified staff. More than 83 percent of the faculty members hold a doctoral degree or the highest degree available in their fields. WU is home to the Mulvane Art Museum, the oldest accredited art museum west of the Mississippi, and to KTWU, the first public television station in Kansas.

The University provides state-of-the-art integrated educational and residential centers for 800 students. Learning at Washburn is facilitated by extensive computer, video and teleconferencing capabilities within meeting and seminar rooms.

What you may not know about Washburn:

- Washburn is annually ranked as one of the best colleges in the Midwest by *U.S. News and World Report*.
- For the fourth consecutive year, the School of Business was named an outstanding business school by the *Princeton Review* and was listed in the 2011 edition of Best 300 Business Schools.
- Washburn University School of Law was named an outstanding law school by the *Princeton Review* in the 2011 edition of The Best 172 Law Schools. The Legal Analysis, Research and Writing Program at the law school was ranked 13th in the nation by *U.S. News and World Report*.

Selected Specialty Programs - Washburn University		
Category	Program Name	City
Business/Economy Mgmt.	Docking Institute for Public Affairs	Topeka
Information Networking and Telecommunications	Information Networking and Telecommunications	Topeka

WASHBURN OFFERS MORE THAN
200
academic programs

Technology, Innovation & Entrepreneurship

For decades, Kansas has been committed to the development of a comprehensive network to support research, facilitate commercialization and to promote the adoption of new technologies in the state. This is evidenced in a myriad of ways, from our ongoing Statewide Broadband Initiative to the work our state's universities are doing to partner with businesses and commercialize cutting edge research and technology. The state has a variety of tools to support and promote new technology for companies, whether they are in the early stages of their business or more mature in their operations.

Support for Innovation & Technology

In today's rapidly moving technology economy, entrepreneurs and companies must work quickly to develop technologies before the commercial window of opportunity closes. Innovation Growth Program has the expertise and resources to help speed up the development process and turn innovative ideas into marketable products.

The Program was created on July 1, 2011 as a partnership between the Kansas Department of Commerce and the statewide network of organizations that were part of the network operated by the former Kansas Technology Enterprise Corporation. While the program exists to help entrepreneurs and companies, its ultimate goal is to bring new technology jobs to the state of Kansas.

Innovation Growth Partners provide a range of services that help accelerate the success of innovative technology companies. These services range from preparing entrepreneurs to approach capital partners to forming joint ventures and new companies around technologies and expertise housed at state universities. The partners, independent 501(c) 3 non-profit corporations, are partnerships between Innovation Growth Program, the community and/or the local research university. The partners are linked to regional angel networks and most have local pre-seed capital funds:

- Bioscience Technology and Business Center (BTBC), Lawrence
- Kansas State University Institute for Commercialization (KSUIC), Manhattan
- Wichita Technology Corporation, Wichita

In addition to access to seed capital, the Innovation Growth Program provides business assistance through a network of affiliate organizations. Services include business planning, strategic business development, investor networking, grant and loan application assistance, technical review, market research, intellectual property management and assistance with business negotiations.

Additional entrepreneurial resources are also available to Kansas companies. Resources included are for SBIR programs, inventors, small businesses and entrepreneurs.

Venture Capital & Angel Networks

There are several regional networks of venture capital and angel investors dedicated to identifying and funding promising start-up business opportunities in Kansas.

Kansas Angel Tax Credits

Kansas income tax credits are available to individuals who provide seed-capital financing for emerging Kansas businesses engaged in development, implementation and commercialization of innovative technologies, products and services.

Network Kansas

NetWork Kansas is devoted to the growth of entrepreneurship and small businesses throughout the state of Kansas. Backed by more than 500 resource partners statewide, the NetWork Kansas service promotes an entrepreneurial environment by connecting entrepreneurs and small business owners with the expertise, education and economic resources they need in order to succeed.

The Kansas Capital Multiplier Fund is a program that provides matching funds through NetWork Kansas partners to eligible businesses in communities across Kansas. These are low-interest matching loan funds of up to nine percent of private investment in a project. Private investment includes new bank loans, lines of credit, and equity investment.

In addition, through the Kansas Capital Multiplier Venture Fund, businesses can apply for matching equity of up to nine percent of the private venture capital invested. Private equity invested includes funds invested by private equity firms and angel investors. Businesses eligible include technology and bioscience companies who are working with university entrepreneurial centers, university centers of excellence, and/or the Kansas Bioscience Authority.

Entrepreneurs and existing small businesses access the Kansas Capital Multiplier Funds by working closely with local or regional financial institutions, NetWork Kansas partners, and angel investment networks.

NetWork Kansas

Kansas Center for Entrepreneurship

John Gendron, Manager, Referral Center Programs and Operations

1845 Fairmount, Box 202, Wichita, KS 67260

Phone: (877) 521-8600

info@networkkansas.com, www.NetworkKansas.com

Research and Development at Post-Secondary Institutions

The Kansas Legislature provided \$130 million in financing for four major research facilities at Kansas universities: a Food Safety and Security Research Facility at Kansas State University, a Biomedical Research Facility at the University of Kansas Medical Center, equipment for the Biosciences Research Building at the University of Kansas and expansion of the Aviation Engineering Complex at Wichita State University. In addition, the Legislature authorized \$13 million for improvements to the National Institute for Aviation Research at Wichita State University. The National Center for Aviation Training, is a 225,000 square-foot training facility built with the Wichita Area Technical College, Sedgwick County and others to support the large aviation cluster in that region of the state.

Wichita Area Technical College

National Center for Aviation Training

The National Center for Aviation Training (NCAT) combines the state’s industry experience and expertise with innovative instructional techniques, producing a new standard for education. NCAT was originally established to meet aviation manufacturing workforce demand in Wichita. Offering 13 different certification and degree programs with the latest technology trends transferred from the National Institute for Aviation Research, the students receive optimum exposure to the most advanced capabilities and techniques.

Program development includes:

- Aerostructures
- Aerospace Fiber Optics and Data Cable Installation
- Applied Science of Aviation Interiors
- Aviation Maintenance Technology
- CAD/CAM: CATIA/ENOVIA
- Nondestructive Testing
- Aerospace Coatings and Paint Technology
- Aerospace Quality Control
- Applied Science of Aviation Manufacturing
- Avionics Technology
- Composites Technology

Fort Hays State University

Fort Hays State University offers a Bachelor of Technology Studies with a Concentration in Manufacturing Technology. The curriculum provides students with the concepts and skills needed for success in manufacturing, and business skills needed for effective leadership in the manufacturing industry. In addition to industrial technology, coursework in the concentration includes hands-on learning in the areas of material processes, machine tool operations, robotics, fluid systems, computer-aided manufacturing & maintenance/repair of equipment.

Center for Applied Technology and Sculpture

The Center for Applied Technology and Sculpture is opening in the fall of 2017. The technology center hosts the following labs:

- Computer-aided Design
- Science Technology Engineering Mathematics
- Metalworking
- Power & Energy
- Construction Management
- Metal Foundry Studio
- Instructional & Graphics
- Woodworking
- Plastics
- Robotics
- Sculpture

Kansas State University

The Advanced Manufacturing Institute

The Advanced Manufacturing Institute’s (AMI) purpose is to improve manufacturing by developing new manufacturing technologies and working with manufacturers to implement new technologies. AMI also manages the Manufacturing Learning Center, a product and processes prototyping center established to assist manufacturers in developing new products and upgrading production systems for existing products. AMI has been named by the Great Lakes Wind Network (GLWN) as a Center of Excellence to expand the wind industry supply chain in Kansas. AMI will provide site assessments for manufacturers wishing to enter the wind industry supply chain; make recommendations on possible components to be supplied; and assess manufacturers’ overall production systems. This effort will result in a resource directory of supply chain companies to serve the wind industry. Also, the partnership with GLWN will enable companies that have met suitable criteria to participate in the GLWN Wind Alert System, which informs potential suppliers that an original equipment manufacturer or high-level supplier is sourcing a specific component that they are capable of producing.

Polytechnic

Kansas State Polytechnic has the second ranked unmanned aircraft systems (UAS) program in the nation. The Applied Aviation Research Center (AARC) hosts 100 UAS projects annually in co-operation with federal agencies, private sponsors and internal university groups. These projects range from validating the standards for the Federal Aviation Administration to power infrastructure inspection & mapping of natural resources.

Bulk Solids Innovation Center

The Bulk Solids Innovation Center is used to study and develop the understanding of bulk solids material handling. This in turn enhances the businesses that use these materials or manufacture the systems that convey, store and dispense them. Dry Bulk Solids Materials are used in chemical, food, pharmaceutical and plastic sectors. The center has a Material Properties Test Lab that allows for bulk solid and particle properties to be evaluated and modeled in a test bench environment, as well as Full-Scale Bulk Solids Test Bay.

The Full-Scale Bulk Solids Test Bay is capable of analyzing:

- Vacuum and Pressure Dilute Phase
- Vacuum and Pressure Vessel Dense Phase
- Batch Weighing
- Gravity Flow
- Feeding
- Vacuum Sequencing
- Rotary Valve Dense Phase
- Silo Zone Blender
- Air Filtration
- Mixing and Silo Storage

University of Kansas

The Information and Telecommunication Technology Center

The Information and Telecommunication Technology Center (ITTC) develops technologies and advances knowledge in the areas of information technology, telecommunications, radar systems and remote sensing. ITTC excels in basic research, technology development and technology transfer through the support of the Department of Commerce, private industry and federal and state programs. Existing companies collaborate with ITTC for research and development, realizing that targeted research reduces costs and improves service to consumers. Fledgling companies seeking to develop new technologies draw on the expertise of faculty, staff and students.

Intelligent Systems & Automation Lab

The Intelligent Systems & Automation Lab (ISA) encompasses programs and projects involved with the application of microprocessors and sensors to advanced electromechanical systems. The labs provide students with lessons in computer integrated manufacturing, industrial innovation and augmented telerobotics. All involve technology transfer to regional industry through cooperative efforts involving personnel, financing resources and expertise from the laboratory, industry and government.

Kansas University Transportation Center

The Kansas University Transportation Center (KUTC) conducts, coordinates, and promotes transportation research, training and technology transfer. It is a multidisciplinary center that encompasses several research and technology transfer programs. Primary areas of interest are

- Highway engineering and maintenance
- Workforce development
- Traffic engineering and safety
- Community transit

Pittsburg State University

Kansas Polymer Research Center

The Kansas Polymer Research Center (KPRC) specializes in vegetable oil-based polymer research and development. KPRC scientists work with industrial partners, state and federal agencies, and producer associations on developing and commercializing PSU’s intellectual property.

The center is capable of researching:

- Adhesives
- Coatings
- Pre-polymers
- Solvents & Composites
- Bioplastics
- Foams
- Polymeric Oil

Kansas Technology Center

The Kansas Technology Center (KTC) was designed around flexibility, transformability and ease of movement of materials and equipment. The building is a lab for teaching about utility systems, construction and other technologies. Students are provided hands-on learning opportunities within 70 technical laboratories.

Wichita State University

National Institute for Aviation Research

The National Institute for Aviation Research (NIAR) supports the aviation industry through research and development, testing, certification and technology transfer. The center, which includes 15 research and testing laboratories, provides state-of-the-art equipment, investigators and administrative support to clients in private industry and state and federal government agencies.

Installments at NIAR

Center of Excellence for Composites and Advanced Materials (CECAM) was established to provide the nation with a center for the validation and quality assurance of composites and advanced materials to be applied in the construction of the aircraft through:

- Research, testing, certification and technology transfer
- Coordination and cooperation with the FAA, aircraft manufacturers, materials suppliers and airline companies
- Education of the aircraft manufacturing and maintenance workforces

National Center for Advanced Materials Performance (NCAMP) implements a continuous approach to FAA and NASA material qualifications by allowing material suppliers and interested aircraft original equipment manufacturers to test, qualify and create databases for new materials.

Benefit to Aircraft Manufacturers

- Manufacturers can pull a system from the NCAMP database, prove equivalency and gain FAA certification in a quicker and cheaper manner than a typical qualification approach.

Benefit to Materials Suppliers

- Material Suppliers can work with NCAMP to qualify material systems without having to be linked to an ongoing aircraft certification program. This allows market suppliers to have the material out into the market via a public forum with generated allowable and the FAA certification.

Robotics and Automation Laboratory supports local and national industry test and automate systems and processes. The lab is capable to operate as a full scale integrator of robotics and automation components, as well as simply prove the concept of automation within processes. The lab is equipped 40 various sized robots and seven different brands.

Center of Innovation for Biomaterials in Orthopaedic Research (CIBOR) researches and develops the potential use of composite materials in bioscience and medical applications including the manufacturing of orthopaedic implants.

Special Help for Manufacturers

The Mid-America Manufacturing Technology Center strives to improve the competitive position of small and mid-sized Kansas manufacturers by helping them grow revenues, improve productivity and expand their capacity.

The Mid-America Manufacturing Technology Center (MAMTC), a non-profit subsidiary of the Innovation Growth Program, assists manufacturers by improving productivity, quality and sales, as well as by reducing costs. MAMTC is a manufacturing extension center sponsored by the National Institute of Standards and Technology with field engineers that cover the entire state. While MAMTC's specialty is hands-on technical consultation, other services include the following:

- | | |
|---|---|
| • Seminars and workshops | • LEAN manufacturing |
| • Vendor and technical information searches | • Assessments and ISO 9000 pre-audits |
| • Equipment and software demonstrations | • Industry networking groups |
| • Customized training | • Assistance in locating new facilities or expansion of existing facilities |

BioKansas

BioKansas is a not-for-profit organization serving the bioscience interests in Kansas. Across the human, plant, animal and industrial biosciences, BioKansas is focused on enhancing the business and research climate and working with leaders across the state to attract and retain bioscience talent, companies and funding.

From Kansas City to Hays, Manhattan to Wichita, and Atchison to Garden City, BioKansas represents the bioscience continuum from the university laboratories to the established pharmaceutical, animal health and crop science companies, and all the entrepreneurial ventures, start-ups and service providers in the heart of the continuum.

BioKansas was founded in 2004 to unify Kansas' bioscience industry, academic research institutions and economic development organizations.

BioKansas is a state affiliate organization of the Biotechnology Industry Organization (BIO). BIO is a national organization representing more than 1,000 biotechnology companies, academic institutions, state biotechnology centers and related organizations in all 50 U.S. states and 33 other nations. BioKansas enjoys the benefits of membership in BIO as well as the Council of State Bioscience Affiliates.

Taxes & Incentives

The structure of Kansas' financial incentives, tax levies and tax credits has been thoughtfully planned to be fair and favorable for your business. Our tax base ensures that no single industry is disproportionately burdened. Our incentives reflect an awareness of what it takes to attract and retain the companies that provide jobs for Kansans. Our state is constitutionally restrained from overspending, providing a foundation of fiscal integrity for our business climate.

Taxes and Fees

Tax Reform Law

Kansas collapsed the current three-bracket structure for individual state income taxes (3.5, 6.25 and 6.45 percent respectively) into a two-bracket system. The new tax rates implemented in FY 2013 through 2018 are shown below:

Married Filing Joint	TY2013	TY2014	TY2015	TY2016	TY2017	TY2018
\$0 - \$30,000	3%	2.7%	2.7%	2.7%	2.7%	2.6%
\$30,001 and over	4.9%	4.8%	4.6%	4.6%	4.6%	4.6%
Single, Head of Household or Married Filing Separate						
\$0 - \$15,000	3.0%	2.7%	2.7%	2.7%	2.7%	2.6%
\$15,001 and over	4.9%	4.8%	4.6%	4.6%	4.6%	4.6%

The reform also increases the standard deduction amount for single head-of-household filers from \$4,500 to \$5,500 and for married taxpayers filing jointly from \$6,000 to \$7,500.

There were a number of changes enacted to Kansas itemized deductions. The deduction for certain gambling losses is repealed after tax year 2013. Most other itemized deductions (except the deduction for charitable contributions, which is fully retained) are reduced by 30 percent in tax year 2013 and 35 percent in tax year 2014. Effective for tax year 2015, the Kansas itemized deductions shall consist only of charitable contributions, 50 percent of residential mortgage interest and 50 percent of property tax paid.

Corporate Income Tax

For corporations whose business income is solely within state boundaries, the tax is four (4) percent of net income. In addition, net income in excess of \$50,000 is subject to a three (3) percent surtax. For those corporations with business income both inside and outside the state, the net income attributed to the Kansas operation is based upon the percentage of the corporation's business located in Kansas. A business' tax obligation is determined by a three-factor formula using the proportion of sales, property and payroll in Kansas compared to total sales, property and payroll.

State law allows net operating losses to be carried forward to each of the 10 years following the taxable year of the net operating loss.

Three-Factor Formula

$$\frac{\text{Sales in KS}}{\text{Total Sales}} + \frac{\text{Property in KS}}{\text{Total Property}} + \frac{\text{Payroll in KS}}{\text{Total Payroll}}$$

After adding the percentages calculated for the three factors, the result is divided by three to provide an average percentage. Total apportionable income is multiplied by the average percentage to determine Kansas net income. Kansas corporate income tax is calculated using the apportioned net income multiplied by the corporate income tax rate mentioned above.

Corporations may opt to use a two-factor (sales and property) apportionment formula to calculate tax liability if the payroll factor for a taxable year exceeds 200 percent of the average of the property and sales factors.

Two-Factor Formula

$$\frac{\text{Sales in KS}}{\text{Total Sales}} + \frac{\text{Property in KS}}{\text{Total Property}}$$

After adding the percentages calculated for the two factors, the result is divided by two to provide an average percentage. Total apportionable income is multiplied by the average percentage to determine Kansas net income. Kansas corporate income tax is calculated using the apportioned net income multiplied by the corporate income tax rate mentioned above.

Single-Factor Formula

Investment funds services companies headquartered in Kansas and employing at least 100 individuals on a full-time equivalent basis are taxed only on their income earned from the administration of funds of Kansas residents. An investment funds service corporation is defined as any corporation or S corporation headquartered and doing business in Kansas that derives more than 50 percent of its gross income from the provision of management, distribution or administration services to or on behalf of an investment company, or from trustees, sponsors and participants of employee benefit plans that have accounts in an investment company.

These companies may compute their tax liability using a single-factor formula, which multiplies their qualifying income from funds management services by the percentage of their funds’ shares that are owned by Kansas residents. Qualifying income is business income derived from the provision of management, distribution or administration services to or on behalf of an investment company or from trustees, sponsors and participants of employee benefit plans that have accounts in an investment company. A separate calculation must be performed on each fund administered by a company. To continue to use this computation method, companies must maintain at least 95 percent of the Kansas jobs that they had when they first used the computation method. All income that is not from the management, distribution or administration of services is apportioned using the three-factor formula of property, payroll and sales.

Example: Single-Factor Formula, Investment Funds Services Company Tax Liability

Assumptions:

IFSC Company has \$150,000 apportionable income. The company has gross receipts (sales) of \$190,000. Fund A has \$100,000 gross receipts; Fund B has \$40,000 gross receipts and Nonfund gross receipts are \$50,000. The three-factor ratio for IFSC Company Kansas activity is 20%. Fund A has 35% Kansas shareholders and Fund B has 40% Kansas shareholders.

Tax Liability Using single-factor formula:

Assumptions:

IFSC Company has \$150,000 apportionable income. The company has gross receipts (sales) of \$190,000. Fund A has \$100,000 gross receipts; Fund B has \$40,000 gross receipts and Nonfund gross receipts are \$50,000. The three-factor ratio for IFSC Company Kansas activity is 20%. Fund A has 35% Kansas shareholders and Fund B has 40% Kansas shareholders.

Tax Liability Using single-factor formula:

Step 1: Compute qualifying income for each fund and non-fund:

Fund A:

Apportionable income \$150,000 X (Fund A \$100,000 gross receipts / Total gross receipts \$190,000) = \$78,947

Fund B:

Apportionable income \$150,000 X (Fund A \$40,000 gross receipts/ Total gross receipts \$190,000) = \$31,579

Non-fund Income:

Apportionable income \$150,000 X (Fund A \$50,000 gross receipts / Total gross receipts \$190,000) = \$39,474

Step 2: Compute Kansas income for each fund and non-fund:

Fund A:

Qualifying income \$78,947 X 35% Kansas shareholders = \$27,631

Fund B:

Qualifying income \$31,579 X 40% Kansas shareholders = \$12,632

Non-fund:

Qualifying income \$39,474 X 20% Kansas 3-factor = \$7,895

Step 3: Sum Kansas income for each fund and non-fund.

Fund A \$27,631 + Fund B \$12,632 + Non-fund \$7,895 = \$48,158

Step 4: Compute Kansas tax.

Kansas income \$48,158 X Kansas tax rate 4.0% (no surtax because \$50,000) = \$1,926

Insurance Tax and Salary Tax Credit

The premium tax rate for domestic and foreign insurance companies doing business in Kansas is 2 percent and the tax rate for domestic and foreign HMOs doing business in Kansas is 3.31 percent. Kansas law K.S.A. 40-252d provides for a tax credit for insurance companies equal to 15 percent of Kansas-based employees’ salaries (not including commissions or fringe benefits), or up to a maximum of 1.125 percent of taxable premiums dependent on the company’s affiliation. The company can claim either the 15 percent credit or up to the 1.125 percent, whichever is less. This could make the effective tax rate on such companies as low as 0.875 percent. This is an annual credit that is recalculated each year.

For example, if a company qualified for the 15 percent tax credit, the estimated credit would be calculated as follows: 100 jobs at a \$50,000 salary produces an annual payroll of approximately \$5,000,000. The 15 percent salary credit would generate a yearly tax credit of \$750,000 which can potentially offset up to 1.125 percent of the company’s two percent premium tax.

Insurance companies may also qualify for the High Performance Incentive Program (HPIP) tax credits to further offset their tax liability. Other tax credits that can be used by insurance companies include the following:

Tangible Property Tax

Both real and tangible personal property are subject to ad valorem taxation by cities, counties and special taxing districts. Intangible property, to the extent it is taxable, is classified and taxed separately. All property is appraised at its fair market value, except for agricultural land, commercial and industrial personal property and certain vehicles. The assessment rate set forth in Art. 11, § 1 of the Kansas Constitution and K.S.A. 79-1439 is applied to the appraised value to determine the assessed value.

The rate of tax depends on the levy of the local taxing district and will vary within the state by location. Both real and tangible personal property are assessed by the county appraiser in the taxing district in which the property is located. Taxes are paid to the county treasurer.

Property taxation is administered by the Division of Property Valuation of the Department of Revenue together with local taxing officers. Public utilities are treated separately for property tax purposes. Utility property is assessed and apportioned to local taxing districts by the Division of Property Valuation.

There are several property tax exemptions that may be available to businesses for certain qualifying real and tangible personal property. Generally, a property owner must apply for a property tax exemption with the Kansas Board of Tax Appeals. (K.S.A. 79-213) The Board of Tax Appeals or appeals courts will decide whether a specific property qualifies for exemption. There are a few exceptions to the filing requirement including machinery and equipment qualifying for exemption pursuant to K.S.A. 79-223 or K.S.A. 79-224 and items of business machinery, equipment and supplies qualifying for exemption pursuant to K.S.A. 79-201w. (K.S.A. 79-213(l))

Example of Property Tax Calculation for Commercial and Industrial Property								
Appraised Value	X	Classification Rate	=	Assessed Value	X	Mill Levy	=	Property Tax
\$1,000,000	X	25%	=	\$250,000	X	100.00	=	\$25,000
<i>*Note: 1 mill = 1/1000 of a dollar</i>								

Major Classes of Property	
Rate	Class
11.5%	Real Property used for residential purposes including multi-family residential real property
12%	Vacant lots, real property owned and operated by not-for-profit organizations
25%	Real property used for commercial and industrial purposes and buildings and other improvements located upon land devoted to agricultural use (Commercial and industrial machinery and equipment are also taxed at this rate)
30%	Agricultural land, mineral leasehold interests and motor vehicles
33%	Public utility real and personal property
Property meeting certain requirements can be exempted from ad valorem taxation. (See Tax Exemptions for Industrial Revenue Bonds and Property Tax Exemptions previously described.)	

Intangible Property Tax

Cities, counties and townships are allowed to levy taxes on intangible property. Counties may tax such property at a rate of up to 0.75 percent, and cities or townships may impose an intangible property tax of up to 2.25 percent. The total intangible property tax burden of any individual or business cannot exceed three percent. In practice, most local governments have no tax on intangible property. One-third of the counties in Kansas, less than one-fifth of the cities and about one-third of the townships impose such a tax.

Intangible property is defined as monies and credits including gold and silver coin, United States Treasury notes and stock certificates otherwise taxable to the owner or holder. Intangibles also include: notes, bonds and debentures; claims secured by deed; liquidated claims and demands for money; accounts receivable; and all written instruments, contracts or other writings evidencing, calling for, fixing or showing a fixed obligation in favor of the owner.

Sales and Use Tax

The Kansas state sales and use tax rate is 6.50 percent of the sale price of tangible personal property and taxable services sold at retail to the consumer. The retailer must charge a customer the combined sales tax rate that equals the sum of the applicable state rate plus all local sales tax rates. Local rates include cities and counties. Cities are authorized to impose a maximum sales tax rate of three percent which includes two percent general and one percent special. Counties are authorized to impose a maximum one percent general sales tax rate. Special legislative action is required for more than one percent.

Kansas Unemployment Insurance

In Kansas, as in all states, the unemployment insurance system is a federal-state joint venture, financed by both federal and state unemployment taxes. The UI program is administered by the Kansas Department of Labor, Division of Employment Security, "to provide temporary, weekly compensation to qualified unemployed workers. The two units of this division are Benefits and Tax (Contributions). The Benefits unit determines claimant eligibility and payment of unemployment benefits. The Tax unit collects the state unemployment tax from subject employers."

Due to Kansas House Bill No. 2576, which was enacted in April 2015, beginning in rate year 2015, all new non-construction employers who began operation on July 1, 2014, or after are eligible for the new UI contribution rate of 2.7 percent. Alternatively, if the employer moves to Kansas from another state, the employer may pay Kansas unemployment tax rate corresponding with the employer's earned experience from the previous state instead of the standard 2.7 percent. The minimum rate is 1 percent. To qualify for this alternative UI rate, employers must meet four requirements:

- The new employer has been in operation in another state for a minimum of three years;
- The new employer provided an authenticated account history from the employer's operations;
- The business operations established in Kansas are of the same nature, as defined by the North American Industrial Classification System, as the operations in another state;
- The new employer must make election of the alternative rate within 30 days of notice of Kansas liability.

Additionally, the bill creates a new classification for employers called "Entering and Expanding Employers." Targeted toward existing, growing Kansas employers, an expanding employer is eligible to receive a lower rate based on the employer's demonstrated risk as reflected in the employer's reserve fund ratio history or the new employer rate of 2.7 percent for four years, subject to approval by the Secretary of Labor. To qualify for this, an employer must meet the following criteria:

- There has been a 100 percent increase in the taxable payroll over the previous year, due to employment growth and not because of a change in the taxable wage base;
- The employer has a positive account balance, meaning the employer has contributed more to the UI System than what has been paid out in benefits to workers previously employed;
- The employer maintains a positive account balance through the four-year period the reduced rate is in effect.

Employers who are not eligible for a rate computation shall pay contributions at the rate of 2.7 percent, except for employers in the construction industry, who will pay at the rate of 6 percent. House Bill 2576, passed in 2014, changed the minimum rate for positive balance employers from 0.11 to 0.09 percent.

The maximum rate remained the same at 5.4 percent. The taxable wage base for Kansas employers was \$8,000 per year in 2014, \$12,000 in 2015 and is \$14,000 in 2016.

Lastly, the bill removed the cap placed on voluntary contributions. "Previously, the statute limited voluntary contributions to no more than five rate groups. Any employer is permitted to buy down the tax rate as much as desired."

Prior to July 1, 2015, the maximum weekly benefit was computed from 60 percent of the average weekly wages paid to employee in insured work during the previous calendar year. After July 1, 2015, the maximum weekly benefit will be calculated at 55 percent of the average weekly wages but not to be less than \$474.

Senate Bill 154, passed in 2015, changed the rate schedule for 2016 and future years. Beginning January 1, 2016, there will only be 27 rate groups for positive balanced employer in comparison to the 51 rate groups prior to 2016. Negative balanced employer will now only have 11 rate groups as compared to 20 prior to 2016. The tax rate and the reserve ratio ranges are now fixed for both positive and negative balanced employers. The impact for employers is greater certainty from year to year concerning their unemployment contribution rate.

Unemployment Insurance for Selected States		
State	Taxable Wages	Average
Kansas	\$14,000	1.13%
California	\$7,000	4.63%
New York	\$10,700	3.48%
Illinois	\$12,960	3.08%
Missouri	\$13,000	1.84%
Oklahoma	\$17,500	0.88%

Source: U.S. Department of Labor, Employment & Training Administration (accessed December 14, 2017).

Kansas Shared Work Unemployment Insurance

The Shared Work Unemployment Insurance Program is designed to help both employers and employees by:

- Allowing an employer to divide the workday among a group of affected employees in lieu of a layoff
- Allowing employees to receive a portion of their unemployment benefits while working reduced hours

Kansas Workers’ Compensation

The Kansas Workers’ Compensation Program has undergone major changes over the past few years. We have made dramatic annual decreases in rates and new laws have been passed which have helped reduce the costs for employers.

Premiums for workers’ compensation insurance are determined by applying the rate for occupational classes and experience ratings for individual firms. Premiums are calculated per \$100 of annual employee wages. The rates are competitive and vary by insurance company. Workers’ compensation premium rates in Kansas are ninth lowest in the nation.

Kansas employers may secure workers’ compensation insurance for employees in one of three ways:

- 1) They may obtain insurance from private insurance companies authorized to transact workers’ compensation insurance in Kansas, either in the voluntary market or assigned risk plan;
- 2) Apply to the Kansas Department of Labor to become self-insured or;
- 3) Become a member of a group-funded workers’ compensation insurance pool if they are eligible.

The maximum weekly benefit is two-thirds of the employee’s average weekly wage at the time of the injury, up to a maximum of \$627 per week.

Workers' Compensation Premium Rate Ranking					
2016 Ranking	2014 Ranking	2012 Ranking	2010 Ranking	State	Index Rate
43	39	41	43	Kansas	1.41
1	1	3	5	California	3.24
3	4	5	13	New York	2.83
T-20	31	26	33	Missouri	1.92
T-8	7	4	3	Illinois	2.23
T-8	6	6	4	Oklahoma	2.23
Source: Oregon Department of Consumer and Business Services, Information Management Division					

Incentives, Tax Credits and Tax Compensation

The State of Kansas offers significant and comprehensive business incentives to encourage the construction and expansion of Kansas businesses and industries.

Promoting Employment Across Kansas

The creation of the Promoting Employment Across Kansas (PEAK) Act, K.S.A. 2015 Supp. 74-50,210 through 74-50,219, was created by the 2009 Kansas Legislature. PEAK is intended to foster economic development in Kansas by incentivizing companies to relocate, locate, expand or retain a business facility/operations and related jobs. The Secretary of Commerce (the Secretary) has discretion to deny or approve applications of qualified companies. The PEAK benefit and term are based upon the number of PEAK Jobs/Employees to be hired, their wage levels and other economic impact variables of a project. The PEAK benefit is a fixed amount spread equally and capped annually over a benefit term of up to 10 years. During the benefit term, participating PEAK companies may retain or be refunded 95 percent (95%) of the state withholding tax of PEAK-Eligible Employees that are paid at or above the county median wage where the PEAK business facility is or will be located.

PEAK requires within a two-year period, five new PEAK Jobs in non-metropolitan counties or ten (10) new PEAK Jobs in the metropolitan counties of Shawnee, Douglas, Wyandotte, Johnson, Leavenworth and Sedgwick. Aggregate wages of the PEAK Jobs must meet or exceed the county median wage (CMW) or North American Industry Classification System (NAICS) average wage for their industry. Applicants meeting program requirements may include for-profit companies and not-for-profit headquarters. Qualified applicants also must: 1) offer an adequate health insurance policy (see Definitions) to its full-time employees within 180 days of hire and be paying at least 50 percent of the employee’s premium; 2) not owe undisputed federal, state or local taxes; and 3) not be seeking protection under the federal bankruptcy code.

Wages of PEAK-Eligible Employees may not be considered when computing the research and development tax credit (K.S.A. 79-32, 182b).

Also, PEAK-Eligible Employees who apply for the Rural Opportunity Zones (ROZs) income tax credit/waiver program would not be eligible to have their withholding taxes retained by or refunded to the qualified company for the PEAK benefit.

Companies must work with a Commerce regional project manager to apply to the PEAK program. Applications are accepted throughout the year and must be received PRIOR to hiring PEAK Employees in Kansas and within 180 days of acknowledgement from Commerce of the company’s decision to relocate, newly locate, expand or retain jobs in Kansas.

For detailed information, please see the PEAK Guidelines and Application available online www.KansasCommerce.gov/PEAK.

High Performance Incentive Program

The State of Kansas offers significant and comprehensive business incentives to encourage the construction and expansion of Kansas businesses and industries. Specifically, the High Performance Incentive Program (HPIP) offers business incentives to companies that make new capital investment in their companies, pay above-average wages for their industry, and invest in workforce training for their employees. For certain non-manufacturing firms, there may be an additional qualifier that a majority of their revenues will need to come from outside of Kansas. HPIP can offer corporate income tax credits and a sales tax exemption on purchases related to your project.

These credits can be used by corporations, as well as by other entities such as Subchapter S corporations and limited liability companies.

To be eligible for HPIP, a worksite must either pay above-average wages for its industry, or one-and-a-half times the statewide average wage exclusive of owner compensation. To determine whether a worksite pays above-average wages, the worksite's wages will be compared to those of business establishments in like industries within the county or counties that comprise the appropriate HPIP wage region. Once the wage criterion has been met, the worksite must either invest an amount equal to two percent of its total payroll on qualified employee training or participate in the Kansas Industrial Training (KIT) program or the Kansas Industrial Retraining (KIR) program.

Firms must be certified by Commerce before filing for this credit. Participating businesses must be in the North American Industry Classification System (NAICS) categories 221, 311-425, 481-721 or 811-928. If a business is in major NAICS non-manufacturing categories 221, 423-425, 481-721 or 811-928, more than half of sales must be to Kansas manufacturers and/or out-of-state commercial or government customers.

Specific incentives extended to firms meeting the qualifications include the following:

- A 10 percent investment tax credit against corporate income tax on qualified business facility investment (as defined by K.S.A. 79-32,154) that exceeds \$50,000 or \$1M for metro counties of: Johnson, Shawnee, Sedgwick, Wyandotte and Douglas. The investment tax credit is a one-time credit with a 16-year carry forward provision, subject to requalification for any unused credits, and can be used to reduce up to 100 percent of a firm's annual tax liability.
- A workforce training tax credit of up to \$50,000 per annum on qualified training expenditures above two percent of reported worksite wages. Unused training tax credit cannot be carried forward for use in future tax years.
- A sales tax exemption on purchases and services relating to new investment in facility or equipment after HPIP certification is obtained.

As a critical first step in order to take advantage of HPIP tax credits, the firm must submit a Project Description (PD) Form to Commerce, estimating the scope of anticipated investment. The statute requires submittal of the Project Description form before the company commits to move forward with the investment (e.g., by making a purchase, signing a commitment document such as an equipment purchase order or lease agreement or construction contract, or moving assets into Kansas that are already owned by the company at an out-of-state location). Pre-identification of qualified investment on the PD allows the company to potentially earn tax credits on that investment.

For detailed information, please see the HPIP Webpage available online www.KansasCommerce.gov/HPIP.

High Performance Incentive Program and Premium Example

Investment Tax Credit (ITC) may be used to offset income, privilege or premium tax liability. HPIP is allowed for income tax filers, privilege tax filers (banks) and insurance company filers. Allowed unused credits can be carried forward for 16 years. Employee training tax credit is applied first and does not carry forward.

HPIP Requirements:

- 1. Company pays above-average wages.
- 2. Company invests at least two percent of payroll in training or is actively participating in one of the state’s workforce training programs.
- 3. Business in major NAICS category of (first three numbers) 221,311-339,423-425,481-519,521-721 or 811-928.
- 4. If business is in major NAICS category of (first three numbers) 221,423-425,481-519,521-721 or 811-928, more than half of sales must be to Kansas manufacturers and/or out-of-state commercial or government customers.
- 5. For any investment on which the company anticipates claiming a related tax credit through HPIP, a Project Description form must be submitted before the company has committed to that investment.
- 6. *For metropolitan counties of: Johnson, Shawnee, Sedgwick, Wyandotte and Douglas, the minimum threshold of \$1.0M would be deducted vs. \$50,000 before calculating the 10 percent investment tax credit.

Assumptions:

- 1. Capital investment \$5,000,000 (all expenses in this example go toward equipment)
- 2. Number of jobs created 30 (not required to qualify for HPIP)
- 3. Annual Payroll \$1,000,000
- 4. Investment in training \$60,000 (may utilize state training programs KIT, KIR)
- 5. Year’s income tax liability..... \$75,000

Benefits:

- 1. Employee Training tax credit \$40,000 (exceeding 2 percent of annual payroll, max \$50,000)
- 2. Investment Tax Credit \$495,000 (10 percent of amount exceeding \$50,000*)
- 1. Total HPIP Income Tax Credit \$495,000
- 2. Less: Total income tax liability during year of investment.... \$75,000
- 3. ITC’s to use toward future Tax liability \$420,000
- 3. Sales Tax Project exemption \$307,500 (capital investment X 6.15 percent tax)

Total High Performance Incentive Program Benefit:

- HPIP Investment Tax Credit \$495,000
- Sales Tax Exemption Savings \$307,500

Total HPIP Benefit \$802,500

Definitions:

Sales Tax Exemption:

Eligible purchases including the purchase and installation of machinery and equipment, as well as materials used in the construction, reconstruction, enlarging, remodeling or furnishing of a qualified business facility. The exemption includes any quality control or pollution control equipment installed as part of the aforementioned activities. A business must file a Request for Project Exemption Certification (Form PR-70b) at www.ksrevenue.org/pecwelcome.html with the Department of Revenue before starting the project and making taxable purchases. The sales tax exemption is available in all counties in Kansas.

Net New Job:

For new companies, any job that is new to Kansas is a “net new job.” For an expanding industry or one building a replacement facility, a “net new job” refers to any job created over and above the employee base, which is determined by averaging the preceding year’s annual employment.

Qualified business facility:

Includes the value of all real and tangible personal business property except inventory or property intended for sale to customers. The value of such property is its original cost if owned by the company or eight times the annual rental rate if leased by the company. Equipment transferred to Kansas from out-of-state to a new or expanding facility is considered qualified investment. Such equipment is valued at its original purchase cost.
If the company purchases and takes delivery of canned software, this is tangible personal property and can be included as qualified business facility investment. If the company developed the software for their own use (customized software), this would be considered as intangible property and not qualified business facility investment for HPIP purposes.

HPIP – Sales Tax Exemption for Capital Expenditures

Companies who qualify for HPIP can also qualify for a state and local sales tax exemption for expenditures made on the materials, equipment and services purchased when building, expanding or renovating a business facility. Companies that qualify for HPIP are eligible to receive a state and local sales tax exemption without being tied to a job creation requirement. The Request for Project Exemption Certificate (PR-70b) needs to be filed prior to making taxable purchases related to the project. The application is filed with the Kansas Department of Revenue.

A letter from the Kansas Department of Commerce would need to accompany the sales tax exemption request indicating the legal entity was certified under HPIP for the request to be approved. The sales tax exemption certificate will be issued effective from the latter of the date the exemption request is received by Revenue or the start of the HPIP certification period. The sales tax exemption can be effective for the term of the project if the company remains certified under HPIP. The sales tax exemption can be accessed at www.KansasCommerce.gov/DocumentCenter/View/4618.

A company may need to pay sales tax on the taxable purchases and file for reimbursement if the company is not HPIP-certified at the time of purchase.

Eligible purchases include the purchase and installation of machinery, equipment, labor and materials used in the construction, reconstruction, enlarging or remodeling of a qualified business facility. The exemption includes any telecommunications systems, quality control equipment or pollution control equipment installed as a part of the aforementioned activities.

The amount of the exemption is dependent on the portion of the building leased and the costs of renovating or developing the facility. Partial exemptions for leases where only a portion of the building is leased are calculated using a percent-of-total-square-feet-leased method or a cost-per-square-foot method for the leased space.

Machinery & Equipment Expensing Deduction

Eligible Kansas taxpayers are allowed to claim an expense deduction for business machinery and equipment, placed in service in Kansas during the tax year. Effective Tax Year 2013 and forward, only C-Corporations may claim the expense deduction against the corporate income tax liability. The expense deduction will not be available to other types of taxpayers. Effective Tax Year 2014 and forward, privilege taxpayers may claim the expense deduction against the privilege tax liability.

The one-time deduction is allowed for each qualified purchase of machinery and equipment in the year that it is placed in service. The unused expense deduction is treated as a Kansas net operating loss that may be carried forward for ten (10) years. However, effective Tax Year 2013, the Kansas net operating loss deduction is only available to C-Corporations and is no longer available to other types of taxpayers. Eligible investment is machinery and equipment depreciable under the Modified Accelerated Cost Recovery System (MACRS) in section 168 of the Internal Revenue Code, or canned software as defined in section 197 of the Internal Revenue Code. Examples of eligible equipment include manufacturing equipment, office furniture, computers, software and racking. Part of the deduction is recaptured if the property is later sold or moved outside of Kansas during its applicable recovery period.

Machinery & Equipment Property Tax Exemption

A state and local property tax exemption is available for new or used commercial and industrial machinery and equipment acquired by qualified purchase or lease, or transferred into the state for the purpose of expanding an existing facility or establishing a new facility after June 30, 2006. This exemption covers:

- Equipment used in manufacturing operations
- Business machinery
- Desks and chairs
- Fax machines
- Spare parts, supplies and materials
- Equipment used in warehousing/distribution
- Computers
- Copiers
- Semi-trailers

(Items not covered include: motor vehicles; oil and gas leases including the prescribed personal property; oil and gas itemized personal property such as drilling equipment and rigs, pipe and casing, and public utility personal property except telecommunications, railroads and electric generation facilities utilizing renewable energy resources.)

Inventory Tax Exemption

All merchants' and manufacturers' inventories have been exempt from property taxes by constitutional amendment since 1989 (K.S.A. 79-201m). This exemption does not apply to public utility inventories.

Tax Exemptions for Industrial Revenue Bonds

Businesses using Industrial Revenue Bonds (IRBs) as a financing mechanism may enjoy certain tax exemptions:

- Property financed with IRBs is exempt from ad valorem taxation for up to 10 years after the bonds are issued. However, localities may elect to negotiate payments in lieu of taxes (K.S.A. 79-201a).
- The cost of construction labor, building materials and machinery and equipment is exempt from state and local sales taxes if financed by IRBs (K.S.A. 79-3603).

Property Tax Exemption

The board of county commissioners or the governing body of a city may exempt certain business property from ad valorem taxation. Qualifying properties must be used exclusively for manufacturing articles of commerce, conducting research and development or storing goods or commodities that are sold or traded in interstate commerce. The tax exemption includes all or any portion of the appraised value of buildings and commensurate land and improvements. Property additions and expansions of existing businesses are eligible for the property tax exemption if new jobs are created as a result of such activity.

A total or partial ad valorem tax exemption may be in effect for up to 10 years after the calendar year in which the business commences its operations or an expansion is completed (Art. 11, Sec. 13, Kansas Constitution).

Items of machinery, equipment, materials and supplies used for business purposes with a retail cost when new of \$1,500 or less are exempt from property tax. (K.S.A. 79-201w). Aircraft used predominantly in the conduct of the owner's business or industry is exempt from property tax. (K.S.A. 79-201k).

For more information, visit www.KansasCommerce.gov/144/Property-Tax-Abatement-Assistance.

Property Tax Exemption for Electric Power Generators

Kansas offers incentives to increase the amount of electric power generated in the state. These incentives work for the construction or expansion of electricity generating facilities for both independent power producers (so-called "merchant power plants") and rate-based utilities. Independent power producer facilities are exempt from property taxes from the commencement of construction and for 12 years after the taxable year in which construction is completed. The eligibility period for plants used exclusively during peak load periods is six years. Electricity generation facilities constructed by regulated public utilities are exempt for 10 years (four years for peak load plants) (K.S.A. 79-259).

Transmission lines and equipment constructed by regulated public utilities after Jan. 1, 2001, also receive a 10-year property tax exemption (K.S.A. 79-259). (Nuclear power plants do not qualify for these exemptions.) The Kansas Development Finance Authority is authorized to issue revenue bonds to pay the construction costs of pollution control equipment at power plants.

Property Tax Exemption for Renewable Energy Generation

Kansas offers outstanding opportunities for electricity production from renewable sources. The Kansas Legislature enacted a property tax exemption for projects that use wind, solar, photovoltaic, biomass, hydropower, geothermal or landfill gas resources to generate electrical energy. Kansas Statute 79-201 K.S.A. Eleventh grants a property tax exemption for all property actually and regularly used predominantly in the generation of electricity from renewable sources, whether it is an industrial, commercial, utility or personal application. After December 31, 2016, exemptions granted for new renewable energy facilities will be limited to the 10 taxable years immediately following the taxable year in which construction or installation of such property is completed.

For more information, visit www.KansasCommerce.gov/468/Alternative-Energy.

Sales Tax Exemptions

There are several sales tax exemptions available in Kansas by state statute which are identified in this booklet, along with the application for the exemption: <http://www.ksrevenue.org/pdf/pub1520.pdf>. Some of our key sales tax exemptions are listed below:

- Electricity, gas and water consumed during manufacturing are exempt from the Kansas sales tax [K.S.A. 79-3606(n)].
- Sales of manufacturing machinery and equipment are exempt from sales taxes [K.S.A. 79-3606(kk)]. This exemption extends to machinery and equipment purchased primarily for use in the assembly, processing, finishing, storing, warehousing or distribution of tangible personal property intended for resale. Specifically, K.S.A. 79-3606 (fff) provides that the following shall be exempt from tax:
- Sales of material handling equipment, racking systems and other related machinery and equipment that is used for the handling, movement or storage of tangible personal property in a warehouse or distribution facility in this state;
- Sales of installation, repair and maintenance services performed on such machinery and equipment;
- Sales of repair and replacement parts for such machinery and equipment
- Labor and services used in original construction. [K.S.A. 79-3603(p)]
- Tangible personal property purchased by a railroad or public utility for direct and immediate consumption or movement in interstate commerce. [K.S.A. 79-3606(f)]
- Tangible personal property that becomes an ingredient or component part of tangible personal property or services produced, manufactured or compounded for ultimate sale at retail either inside or outside of Kansas. [K.S.A. 79-3606(m)]
- Tangible personal property that is immediately consumed or dissipated in the actual production, manufacturing, processing, mining, drilling, refining or compounding of tangible personal property for ultimate sale at retail either inside or outside Kansas. [K.S.A. 79-3606(n)]
- Purchases of animals, fowl and fish primarily used in agriculture; the production of food for human consumption; the production of animal, dairy, poultry or fish products, fiber or fur; or the production of offspring for use in any such endeavor. [K.S.A. 79-3606(o)]
- Tangible personal property purchased by a city from the proceeds of industrial revenue bonds issued prior to July 1, 1973; the cost of the building and all items of fixed equipment are entitled to exemption from Kansas sales tax at the time of initial purchase. [K.S.A. 79-3603(h)]
- Incoming and outgoing interstate-wide area telephone or transmission services (WATTS). The gross receipts from sales of interstate telephone or telegraph services utilizing a WATTS line are specifically exempted from state sales taxes. [K.S.A. 79-3603(b)]

A sales tax exemption certificate must be obtained from the Kansas Department of Revenue prior to any purchases. The exceptions to this involve the labor on residential construction, original construction and replacement or repair of bridges and highways, which does not require a certificate [K.S.A. 79-3603(p)]. The Kansas Department of Commerce can assist businesses in obtaining exemption certificates. Kansas applies the "Integrated Plant" standard to the taxation of machinery and equipment used in production [K.S.A. 79-3606(kk)].

Adoption of the integrated plant standard makes it easier for the taxpayer to interpret the boundaries of the exemption. Traditionally, manufacturing machinery and equipment used in production qualified for the tax exemption only if they had a "direct and immediate effect" on the physical transformation of raw material into new material.

The integrated plant theory is broader and allows for additional machinery and equipment to qualify for the tax exemption. Machinery such as pollution control equipment will qualify for the tax exemption under the integrated plant theory.

The integrated plant theory is specifically intended to include the following:

- Pre-production machinery and equipment (e.g., raw material storage equipment, raw material handling equipment).
- Machinery that services the production line (e.g., machinery that purifies water, cleans oil, screens chemicals).
- Machinery that deals with byproducts of production (e.g., pollution control equipment, waste handling equipment).
- Ancillary property that might otherwise not be viewed as machinery or equipment (e.g., gas pipes, electric wiring, special foundations, clean rooms).
- Labor services for installation and repair of qualified machinery or equipment.

Tax Credit for Research & Development

In order to stimulate increased research and development activity by Kansas businesses, the State offers an income tax credit equal to 6.5 percent of a company’s investment in research and development above an average of the actual expenditures in research and development activities made in the taxable year and the two immediate preceding taxable years. Only 25 percent of the allowable annual credit may be claimed in any one year. Any remaining credit may be carried forward in 25 percent increments until exhausted. Expenditures in research and development activities are defined by Kansas law as those expenses that are allowable as deductions under the federal Internal Revenue Code. Beginning in tax year 2013, this credit is only available to corporations subject to the Kansas corporate income tax, i.e. C Corporations. Beginning in tax year 2013, this credit shall not be available to individuals, partnerships, S Corporations, limited liability companies or other pass through entities (Schedule K-53, K.S.A. 79-32,182b).

Research Tax Credit Calculations Table	
Total Qualified Investment	
2016.....	\$150,000.00
2015.....	\$125,000.00
2014.....	\$100,000.00
Tax Year 2016 Return Calculations	
Total Qualified Expenditures.....	\$375,000.00
Three-Year Average Expenditure.....	\$125,000.00
Amount of Expenditures for Credit.....	\$25,000.00
(\$150,000 less \$125,000)*	
2016 Credit Calculation	
6.5% of base expenditure allowed 6.5% x \$25,000.....	\$1,625.00
25% of credit claimed per year 25% x \$1,625.....	\$406.25
Previous Carry-Over Credits	
(may be claimed from previous tax years)	
2016.....	\$541.67
2015.....	\$1,083.25
Total Credits Against 2016 Taxes.....	
\$2,031.17	
*Current expenditures of \$150,000 minus three-year average of \$125,000	

Disabled Tax Credit

Any taxpayer who spends money to make all or any portion of an existing building or facility accessible to persons with a disability is entitled to a tax credit. The building or facility must be on real property located in Kansas and used in a trade, business or for the production of income.

The tax credit available is equal to 50 percent of expenditures of this kind, or \$10,000, whichever is less. The tax credit is applied against the income tax, premium tax or privilege fees and shall be deducted from the taxpayer's tax liability in the taxable year in which the expenditures are made.

This tax credit may be carried over for a period of four years after the year the credit was earned. Effective tax year 2013, this credit shall only be available to corporations subject to the Kansas corporate income tax, i.e. C Corporations. Effective tax year 2014 and forward, the credit becomes available to all taxpayers. (Schedule K-37, K.S.A. 79-32,177, K.S.A. 79-1117 and K.S.A. 40-2813).

Tax Credits for Day Care Facilities

Tax credits are offered against Kansas income tax liability for businesses providing child day care services to employees. These credits apply to taxpayers who pay for or locate child day care services for their employees or that provide facilities and necessary equipment for child day care services.

The credit is equal to 30 percent of the amount spent in Kansas during the tax year for child day care services purchased for the dependent children of the taxpayer's employees. However, the credit for any taxpayer cannot exceed \$30,000 for any tax year.

Employers wishing to establish a child day care facility primarily for the employees' dependent children can claim additional benefits. A credit of up to 50 percent of the amount spent in the establishment of such a facility can be taken, up to \$45,000 per taxpayer, during the first year. One or more taxpayers may work together to establish such a facility. In the taxable years after the year of establishment, the annual credit available to the taxpayer would be 30 percent of the amount expended for the annual operation of the facility but not to exceed \$30,000 for any tax year.

When computing the credit, amounts received by the taxpayer as payment for use of the child day care services are subtracted from the annual cost of operating the facility.

In order to receive this tax credit, the child day care facility or provider must be licensed or registered in Kansas. Should the taxpayer qualify for the credit, the amount of the credit in excess of the taxpayer's liability for the tax year will be refunded. The aggregate amount of child day care facility credits that may be claimed for any fiscal year cannot exceed \$3 million statewide. Beginning in tax year 2013, this credit shall only be available to corporations subject to the Kansas corporate income tax, i.e. C Corporations. This credit shall not be available to individuals, partnerships, S Corporations, limited liability companies or other pass through entities. (Schedule K-56, K.S.A. 79-32,190 et seq.)

Entrepreneurship Tax Credit

Taxpayers, including corporations that invest in the Kansas Center for Entrepreneurship, can claim a state tax credit of 75 percent of the amount donated. The minimum investment to claim the tax credit is \$250, and the tax credit is limited to a total of \$2 million for any fiscal year.

The tax credit is limited to \$50,000 per individual contributor per tax year. Funds will be used for awards to regional and community organizations that provide seed capital to qualified entrepreneurs, especially those located in distressed and rural communities. (Schedule K-31, K.S.A. 74-99c09)

Angel Investor Tax Credit

The credit is 50 percent of the investor's cash investment in the qualified securities of an eligible Kansas business. If the amount of the credit exceeds the investor's tax liability in any one taxable year, the remaining portion of the credit may be carried forward until the total amount of the credit is used. The credit is limited to \$50,000 for a single Kansas business or a total of \$250,000 of tax credits for a single year per investor.

The cumulative aggregate amount of angel investor tax credits allowed shall not exceed \$6 million for each tax year. The 2016 Legislature extended this tax credit until 2021. An accredited investor is a natural person or an owner of a permitted entity investor, who is of high net worth, as defined in 17 C.F.R. 230.501(a) as in effect on the effective date of the act.

The SEC defines an accredited investor as any natural person whose individual net worth, or joint net worth with that person's spouse exceeds \$1,000,000, or any natural person who had an individual income in excess of \$200,000 in each of the two most recent years or joint income with that person's spouse in excess of \$300,000 in each of those years and has a reasonable expectation of reaching the same income level in the current year. (Schedule K-30, K.S.A. 74-8133).

For more information, please visit www.kansascommerce.gov/368/Kansas-Angels-Tax-Credit.

Kansas Downtown Redevelopment Tax Rebate

Through the Downtown Redevelopment Act, areas designated by the Secretary of Commerce can receive a rebate of property tax collected on properties that have undergone approved improvements. The city must request and be approved by Commerce before businesses can take advantage of the rebate. The amount of the rebate depends on the city and whether or not there are inter-local agreements in place with all local taxing entities or if the rebate is only from the city's percentage. A property owner submits a written application to the governing body of the city to request the rebate.

A rebate of the incremental tax increase between the valuation prior to the improvements and the new assessed valuation is made available for five years. For the sixth year, 80 percent of the tax increment is subject to rebate. For the seventh, eighth and ninth years, the percentage of the tax increment that is not subject to rebate will increase by 20 percent each year. Beginning in the 10th year, no rebate is available.

For more information, please visit www.kansascommerce.gov/120/Kansas-Downtown-Redevelopment-Act.

Community Service Program Tax Credit

The Kansas Community Service Program authorizes tax credits against the state income tax, premium tax and privilege tax for businesses that make contributions toward state-approved community service capital projects. The awarded organizations or entities must engage in activities that meet demonstrated needs in the state in the areas of community service, health care, crime prevention and/or youth apprenticeship and technical training.

Contributions toward approved projects are eligible for up to a 50 percent credit. Contributions toward approved projects in designated rural areas are eligible for up to a 70 percent credit. The Community Development Division of Commerce administers this program, determining the eligibility of contributing recipients by process of application (Schedule K-60 K.S.A. 79-32,194 et seq.).

Renewable Energy Incentives

With an ever-increasing percentage of the state's energy coming from renewable sources, Kansas offers an immediate advantage to companies committed to meeting corporate sustainability goals. From our investor-owned utilities to co-ops and municipal utilities across the state, our energy providers are incorporating wind energy as a key component of their energy portfolios.

Located in the heart of the nation's Wind Corridor, Kansas also offers an ideal location for manufacturing wind turbine components and supplies. Our central location and outstanding transportation infrastructure provide convenient and economical access to the regions with the greatest wind energy activity. Kansas is ranked 2nd in wind potential and is among the top five states for operating wind farms.

There are also thousands of megawatts of additional wind energy under development across the state with 874 megawatts currently in advanced development. Kansas wind is very cost effective due to high productivity factors, and has therefore been attractive to out-of-state off-takers, which are purchasing over 45 percent of the wind energy produced in Kansas.

According to data in the 2016 Annual Wind Market Report, Kansas ranks in the Top 10 in a number of categories:

- 5th in cumulative investment in wind energy projects (\$8.4 billion)
- 5th in wind industry employment (5,001-6,000)
- 5th in estimated annual lease payments to landowners by wind projects (\$10-15 million)
- 8th in wind capacity currently in advanced development (874). 5th in wind power capacity installations (4,451 MW)
- 4th in wind power capacity additions during 2016 (687 MW), 3rd in wind energy as percent of total state generation (29.6 percent)
- 6th in fastest growing states for wind generation (28.3 percent annual growth) and 4th in total generation from wind power (14.1 million MWh)

Kansas is committed to the growth of this industry through the development of additional wind farms, a strong supply chain and transmission capabilities to out-of-state markets.

In addition, Kansas has multiple operating ethanol facilities across the state. The State of Kansas has numerous incentives to assist the development of renewable energy. State tax credits are available for projects that utilize waste heat to convert to energy or otherwise offset local power usage via renewable sources. Incentive payments, tax credits and other development incentives are available to producers, retail dealers and individuals that utilize alternative fuel sources.

Kansas has enacted a host of renewable energy policies, including a renewable energy goal, energy efficiency measures for state-owned property and net metering. To encourage the growth of alternative energy, the state offers a 10-year personal property tax exemption for projects generating electricity from renewable sources.

Petroleum Refinery

A taxpayer may be entitled to a deduction from Kansas adjusted gross income of the amortizable costs of a new, expanded or restored refinery. The deduction is in an amount equal to 55 percent of the amortizable costs for the first taxable year of production and five percent for each of the following nine years. (K.S.A. 79-32,221)

In order to qualify for these benefits, the facility must be a new refinery, expansion of an existing refinery (capacity increases at least 10 percent) or a restored refinery (a refinery which has been out of production five or more years).

For all taxable years commencing after Dec. 31, 2005, any new refinery property, any expanded refinery property, or any restored refinery property is exempt from all property taxes levied from and after purchase or commencement of construction or installation of such property and for the 10 taxable years immediately following the taxable year in which construction or installation of such property is completed. (K.S.A. 79-226)

The Kansas Development Finance Authority is authorized to issue revenue bonds in amounts sufficient to finance the construction of such a facility.

Biomass-to-Energy Plant

A taxpayer may be entitled to a deduction from Kansas adjusted gross income of the amortizable costs of a new facility or expansion of an existing biomass-to-energy plant. The deduction is equal to 55 percent of the amortized costs of the facility for the first taxable year and five percent for the next nine taxable years. This provision applies to all taxable years commencing after Dec. 31, 2005. (K.S.A. 79-32,237)

For all taxable years commencing after Dec. 31, 2005, any new biomass-to-energy plant property or any expanded biomass-to-energy plant property is exempt from all property taxes levied from and after purchase or commencement of construction or installation of such property and for the 10 taxable years immediately following the taxable year in which construction or installation of such property is completed. (K.S.A. 79-229)

The Kansas Development Finance Authority is authorized to issue revenue bonds in amounts sufficient to pay the costs of construction or expansion.

Incentives for Ethanol Production

The State of Kansas promotes renewable fuel, offering direct financial incentives for production and sale of ethanol. The incentive rate is \$0.035 for each gallon sold by the producer. (The previous rate was \$0.075) In addition, \$875,000 per quarter is planned to be added to the fund for distribution. If production exceeds the fund balance, the fund will be distributed on a prorated share. This incentive shall be payable for no more than seven years to any one producer.

Producers who were in production prior to July 1, 2001 and who increased production capacity on or after July 1, 2001 by an amount of five million gallons qualify for the incentive for a maximum of 15 million gallons sold per year. Producers who commenced production on or after July 1, 2001, but prior to July 1, 2012, and who sold at least five million gallons qualify for the incentive for a maximum of 15 million gallons sold per year.

Any producer who commences cellulosic alcohol production on or after July 1, 2012 must have sold at least five million gallons to qualify for the incentive for a maximum of 15 million gallons sold per year. This provision shall not apply to producers who commence alcohol production from grain.

Producers seeking this incentive should file necessary forms with the Kansas Department of Revenue. The program sunsets July 1, 2018.

Waste Heat Utilization System

A waste heat utilization system includes facilities and equipment for the recovery of waste heat generated in the process of generating electricity and the use of such heat to generate additional electricity or to produce fuels from renewable energy resources or technologies.

A taxpayer shall be entitled to a deduction from Kansas adjusted gross income the amortizable costs of a waste heat utilization system. Such deduction shall be equal to 55 percent of the amortizable costs of such system for the first taxable year and five percent for the next nine taxable years. The provisions of this section shall apply to all taxable years commencing after Dec. 31, 2006. (K.S.A. 79-32,250)

For all taxable years commencing after Dec. 31, 2006, any waste heat utilization system property is exempt from all property taxes levied from and after purchase or commencement of construction or installation of such property and for the 10 taxable years immediately following the taxable year in which construction or installation of such property is completed. (K.S.A. 79-231)

The Kansas Development Finance Authority is authorized to issue revenue bonds in amounts sufficient to finance the construction of waste heat utilization systems at electric generation facilities.

Alternative–Fuel Fueling Station Tax Credit

A taxpayer that makes qualified expenditures for eligible alternative-fuel fueling stations shall be allowed a credit against the income tax imposed. For any qualified alternative-fuel fueling station placed in service on or after Jan. 1, 2009, an amount equal to 40 percent of the total amount expended but not to exceed \$100,000 for each fueling station is allowed as a credit. Beginning in tax year 2013, this credit shall only be available to corporations subject to the Kansas corporate income tax, i.e. C Corporations. This credit shall not be available to individuals, partnerships, S Corporations, limited liability companies or other pass through entities. (Schedule K-62, K.S.A. 79-32, 201)

Carbon Dioxide Capture/Sequestrian Tax Deduction

A taxpayer is entitled to a deduction from Kansas adjusted gross income with respect to the amortizable costs of carbon dioxide capture, sequestration or utilization machinery and equipment over a period of 10 years. The amortization deduction shall be an amount equal to 55 percent of the amortizable costs of such machinery and equipment for the first taxable year in which such machinery and equipment are in operation and five percent of the amortizable costs of such machinery and equipment for each of the next nine taxable years. (K.S.A. 79-32, 256)

The taxpayer can claim the deduction by filing a statement with the Secretary of Revenue of such election. The deduction is available in all taxable years commencing after Dec. 31, 2007.

For all taxable years commencing after Dec. 31, 2007, any carbon dioxide capture, sequestration or utilization property and any electric generation unit which captures and sequesters all carbon dioxide and other emissions is exempt from all property taxes levied from and after purchase or commencement of construction or installation of such property and for the five taxable years immediately following the taxable year in which construction or installation of such property is completed. (K.S.A. 79-233)

Alternative–Fueled Motor Vehicle Tax Credit

A taxpayer who makes qualified expenditures for eligible alternative-fueled motor vehicles shall be allowed a credit against the income tax imposed. For any qualified alternative-fueled motor vehicle placed in service on or after Jan. 1, 2005, the credit is equal to 40 percent of the incremental cost or conversion cost for each qualified vehicle expended but not to exceed \$2,400 (credits based on vehicle weight).

The credit for motor vehicles which are capable of operating on a blend of 85 percent ethanol and 15 percent gasoline are allowed for taxable years commencing after Dec. 31, 1999, only if the individual claiming the credit furnishes evidence of the purchase of 500 gallons of ethanol and gasoline blend during the period of time beginning with the vehicle purchase and ending on Dec. 31 of the next succeeding calendar year. Beginning in tax year 2013, this credit shall only be available to corporations subject to the Kansas corporate income tax, i.e. C-Corporations. This credit shall not be available to individuals, partnerships, S-Corporations, limited liability companies or other pass through entities. (Schedule K-62, K.S.A. 79-32, 201)

Coal Gasification Power Plant

For all taxable years commencing after Dec. 31, 2005, integrated coal gasification power plant property is exempt from all property taxes levied from and after purchase or commencement of construction or installation of such property and for the 12 taxable years immediately following the taxable year in which construction or installation of such property is completed. (K.S.A. 79-225)

The Kansas Development Finance Authority is authorized to issue revenue bonds in amounts sufficient to finance the construction of such a facility.

Nitrogen Fertilizer Plant

A taxpayer may be entitled to a deduction from Kansas adjusted gross income of the amortizable costs of a new integrated coal or coke gasification nitrogen fertilizer plant or expansion of an existing integrated coal or coke gasification nitrogen fertilizer plant. The deduction is equal to 55 percent of the amortizable costs of the new plant or expansion of an existing plant for the first taxable year and five percent for the next nine taxable years. The deduction applies to all taxable years commencing after Dec. 31, 2005. (K.S.A. 79-32,232)

For all taxable years commencing after Dec. 31, 2005, any new integrated coal or coke gasification nitrogen fertilizer plant property or any expanded integrated coal or coke gasification nitrogen fertilizer plant property is exempt from all property taxes levied from and after purchase or commencement of construction or installation of such property and for the 10 taxable years immediately following taxable year in which the construction or installation of such property is completed. (K.S.A. 79-228)

The Kansas Development Finance Authority is authorized to issue revenue bonds in amounts sufficient to finance the construction or expansion.

Qualifying Pipeline

A taxpayer may be entitled to a deduction from Kansas adjusted gross income of the amortizable costs of a new qualifying pipeline. Such deduction is equal to 55 percent of the amortizable costs of the new qualifying pipeline for the first taxable year and five percent for the next nine taxable years. The deduction applies to all taxable years commencing after Dec. 31, 2005. (K.S.A. 79-32,227)

For all taxable years commencing after Dec. 31, 2005, any new qualifying pipeline property is exempt from all property taxes levied from and after purchase or commencement of construction or installation of such property and for the 10 taxable years immediately following the taxable year in which construction or installation of such property is completed. (K.S.A. 79-227)

The Kansas Development Finance Authority is authorized to issue revenue bonds in amounts sufficient to finance the construction of such property.

Secretary of State’s Application & Recording Fee

At the time of filing articles of incorporation, each domestic corporation (any corporation organized under Kansas law) pays an application and recording fee to the Secretary of State. This fee is reduced if the filing is done online.

A corporation classified as foreign (any corporation organized under the laws of another state) must pay a filing fee to the Secretary of State to obtain a certificate of authority to do business in Kansas. More details on this can be found at the Kansas Secretary of State’s office.

Network Kansas

NetWork Kansas serves as a link between business owners and resources available through state government and provides a central point of contact to streamline the business startup process. A NetWork Kansas referral coordinator will connect you with resources within the state that are involved in all aspects of starting a business, including legal structure, employment, taxes, licensing and some federal requirements.

NetWork Kansas

Kansas Center for Entrepreneurship

John Gendron, Manager, Referral Center Programs and Operations

1845 Fairmount, Box 202, Wichita, KS 67260

Phone: (877) 521-8600

info@networkkansas.com, www.NetworkKansas.com

Foreign Trade Zones

Foreign trade zones (FTZs) in Kansas provide a duty-free and quota-free entry point for foreign goods into specific areas under customs supervision for an unlimited period of time. Kansas offers a variety of sites managed by grantees in Kansas City (Zone 17) and Wichita (Zone 161).

Kansas has taken advantage of the new Alternative Site Framework (ASF) foreign trade zone designation intended to provide greater flexibility and expedite access to the benefits of the Foreign Trade Zone program. As a result, a company in the designated region is not restricted to a site specific FTZ, as the entire county is eligible for FTZ benefits under the ASF designation. This streamlined approach offers a quicker turnaround time and lower cost, allowing grantees to locate zone designation where companies are located.

The Kansas City FTZ has a number of Magnet and Usage-Driven sites, including a five-acre site with 220,000 square feet of above-ground covered space; a second five-acre site with a 26,000 square-foot warehouse, a 50,000 square-foot warehouse, 21 acres in the Leavenworth Area Business Center and over 1,000 acres at two locations in Topeka: Forbes Field/Topeka Air Industrial Park and Phillip Billard Airport/Industrial Park. The new ASF procedures were adopted for a five-county area including Douglas, Johnson, Leavenworth, Miami, and Wyandotte that allow for a six-week approval process for certain types of designations with a significant reduction in the company's out of pocket expenses.

The Wichita FTZ has received approval to use the new ASF procedures for a central region that includes Butler, Harvey, McPherson, Reno, Saline, Sedgwick and Sumner counties. The new system makes it faster and less expensive for area businesses to establish their facilities as foreign trade zones, with an estimated turnaround time of 30 to 40 days. Existing Magnet sites include 120 acres and 800,000 square feet of covered warehouse and assembly space in Wichita.

Goods brought into a zone or sub-zone may be stored, manipulated or mixed with domestic or foreign materials used in manufacturing processes or exhibited for sale. Anything shipped out of a zone into the United States customs territory is then subject to duties. Goods reshipped to foreign nations are never subject to U.S. customs duties.

International Trade & Investment

The Export Assistance and Marketing division works directly with Kansas companies to increase sales of products and services in international markets. The international team also takes an active role in recruiting international businesses to the state. It uses worldwide marketing initiatives to enhance awareness of Kansas around the globe and helps Kansas businesses reach the largest possible market. These initiatives also promote the advantages of doing business in Kansas in an effort to recruit international investment to the state.

For more information, please see the Export Assistance and Marketing page at www.KansasCommerce.gov/Export.

Export Assistance

Assistance is provided to Kansas companies wishing to begin or expand their international marketing efforts. Department staff members counsel individual Kansas firms, provide export data and foreign market research, coordinate with domestic and foreign agencies in marketing promotions, participate in export seminars, recruit and assist company participation in international trade shows, host foreign delegations, and distribute foreign trade leads to appropriate Kansas companies.

International Investment Recruitment

The Department's international investment experts provide assistance to international companies or their consultants who are considering Kansas for new manufacturing, distribution or office facilities. Assistance includes recommendations on location, developing incentive proposals, coordinating in-state site visits, serving as a liaison with other state agencies and serving as your single Kansas contact to ensure project confidentiality.

Kansas International Trade Show Assistance Program

The Kansas International Trade Show Assistance Program assists Kansas producers who want to exhibit at international trade shows. The program can help reimburse successful applicants for up to half of their direct exhibition-related expenses, not to exceed \$3,500 per international show.

For more information, please visit www.kansascommerce.gov/158/KITSAP.

SBA Hubzone Program

The Historically Underutilized Business Zones (HUBZone) program helps small businesses in urban and rural communities gain preferential access to federal procurement opportunities. In order to qualify for the HUBZone program, your business must be located in an area designated as a Historically Underutilized Business (HUB) Zone. There are six counties in Kansas currently designated as HUBZones under this program are:

- Elk County, KS – Qualified by Income
- Montgomery, KS – Qualified by Unemployment
- Wilson County, KS – Qualified by Unemployment.
- Woodson County, KS – Qualified by Income
- Cheyenne County, KS - Re-designated – HUBZone designation expires in January of 2016
- Norton County, KS – Re-designated – HUBZone designation expires in January of 2016

For more information on the HUB Zone program, please access: <http://www.sba.gov/hubzone> or contact the SBA Office in Wichita (316) 269-6616 or Kansas City (816) 426-4900.

Rural Opportunity Zones

Rural Opportunity Zones (ROZ) are designed to spur economic development in and expand job growth in 77 key counties around the state.

The program has two main incentives:

- A state income tax exemption for up to five years to individuals who move to a ROZ county from outside the state. Individuals must not have lived in Kansas for the past five years, nor have Kansas source income of more than \$10,000 per year over the past five years.
- Student loan forgiveness of up to \$3,000 per year (\$15,000 maximum benefit) for individuals who graduate from an accredited post-secondary institution and move to a ROZ county. The student loan forgiveness portion of the program is a county-state partnership, and counties must opt in to participate.

For more information, please see the Rural Opportunity Zones page at www.KansasCommerce.gov/ROZ.

KANSAS



Utilities

Kansas possesses a built-in advantage over other states when it comes to meeting your energy needs. With one of the largest natural gas fields in the world, Kansas is among the nation's leading producers of natural gas. Our statewide power costs remain competitive with the national average for every major customer group.

Competitive & Uninterrupted Electric Power

Kansas' competitive electricity rates are partially due to our proximity to the low-sulfur coal fields of Wyoming, resulting in low transportation costs. The majority of electric power generated in Kansas comes from such coal.

A modern generation and distribution network also keeps Kansas' electric rates competitive. Three investor-owned companies produce more than one-half of the electric power for the state; one in Kansas (Westar) and two in Missouri (Kansas City Power & Light and Empire Electric). The remainder is supplied by three in-state member-owned Generation and Transmission (G&T) cooperatives and 65 municipal generating systems. Sixty of the 65 municipal generating systems interconnect with investor-owned systems. A support network of 30 distribution cooperatives and 119 municipalities enhances the electrical system.

Average Electric Prices for Customers										
	Residential		Commercial		Industrial		Transportation		All Sectors	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
Kansas	12.99	12.34	10.25	10.1	7.41	7.61	-	-	10.37	10.14
IOUs		12.15		9.73		7.4				10.06
Coops		13.55		11.7		8.81				11.2
Muni		11.62		9.95		6.89				8.99
California	17.18	16.99	15.04	15.73	11.88	12.17	8.94	8.99	15.15	15.42
Illinois	12.31	12.5	8.74	9.02	6.35	6.67	6.73	6.81	9.17	9.4
Missouri	10.92	11.21	8.99	9.16	6.73	6.44	8.45	8.36	9.45	9.44
New York	17.59	18.54	14.41	15.31	6.03	6.31	12.1	12.95	14.46	15.28
Oklahoma	10.08	10.14	7.38	7.68	4.81	5.35	-	-	7.63	7.9
U.S. Average	12.55	12.65	10.35	10.64	6.72	6.91	9.51	10.09	10.24	10.41
Source: U.S. Energy Information Administration, Electricity Data Browser, 2016 is December 2015 through November 2016										
Note: IOUs are Investor Owner Utilities										

This system connects with a multi-state power transmission grid, including most of the electric systems east of the Rocky Mountains. Kansas has not experienced a major power shortage in many years. Should one occur, the reserve power capacity of the three major investor-owned companies alone far exceeds the average national generating capacity.

Existing Generating Facilities in Kansas

Utility	# of Facilities
City Utilities*	69
Sunflower Electric Power Corp	7
Westar Energy Inc	7
Kansas City Power & Light Co	4
Midwest Energy Inc	3
AE Power Services LLC	2
EDF Renewable Asset Holdings, Inc.	2
Kansas Gas & Electric Co	2
Abengoa Bioenergy Biomass of Kansas	1
Arkalon Ethanol LLC	1
Avangrid Renewables Inc	1
Bonanza BioEnergy LLC	1
Bowersock Mills & Power Co	1
Buffalo Dunes Wind Project LLC	1
Caney River Wind Project	1
Cedar Bluff Wind, LLC	1
Cimarron Wind Energy LLC	1
Cimarron Windpower II, LLC	1
Clean Energy Collective LLC	1
Cloud County Windfarm, LLC	1
East Kansas Agri-Energy, LLC	1
Empire District Electric Co	1
Enerdyne Power Systems Inc	1
Frontier El Dorado Refinery LLC	1
Gray County Wind Energy LLC	1
Invenergy Services LLC	1
Ironwood Windpower LLC	1
Kansas Electric Power Coop Inc	1
Kansas Municipal Energy Agency	1
NextEra Energy Resources Ensign Wind	1
NJR Clean Energy Ventures Corporation	1
Occidental Chemical Corporation	1
Pattern Operators LP	1
Prairie Horizon Agri Energy LLC	1
Shooting Star Wind Project LLC	1
Smoky Hills Wind Farm I LLC	1
Smoky Hills Wind Project II LLC	1
WM Renewable Energy LLC	1
Wolf Creek Nuclear Operating Corp	1
Total	127

Source: U.S. Energy Information Administration, Annual Electric Generator Report
 * 56 Kansas cities have generating facilities.

World-Class Supplier of Natural Gas

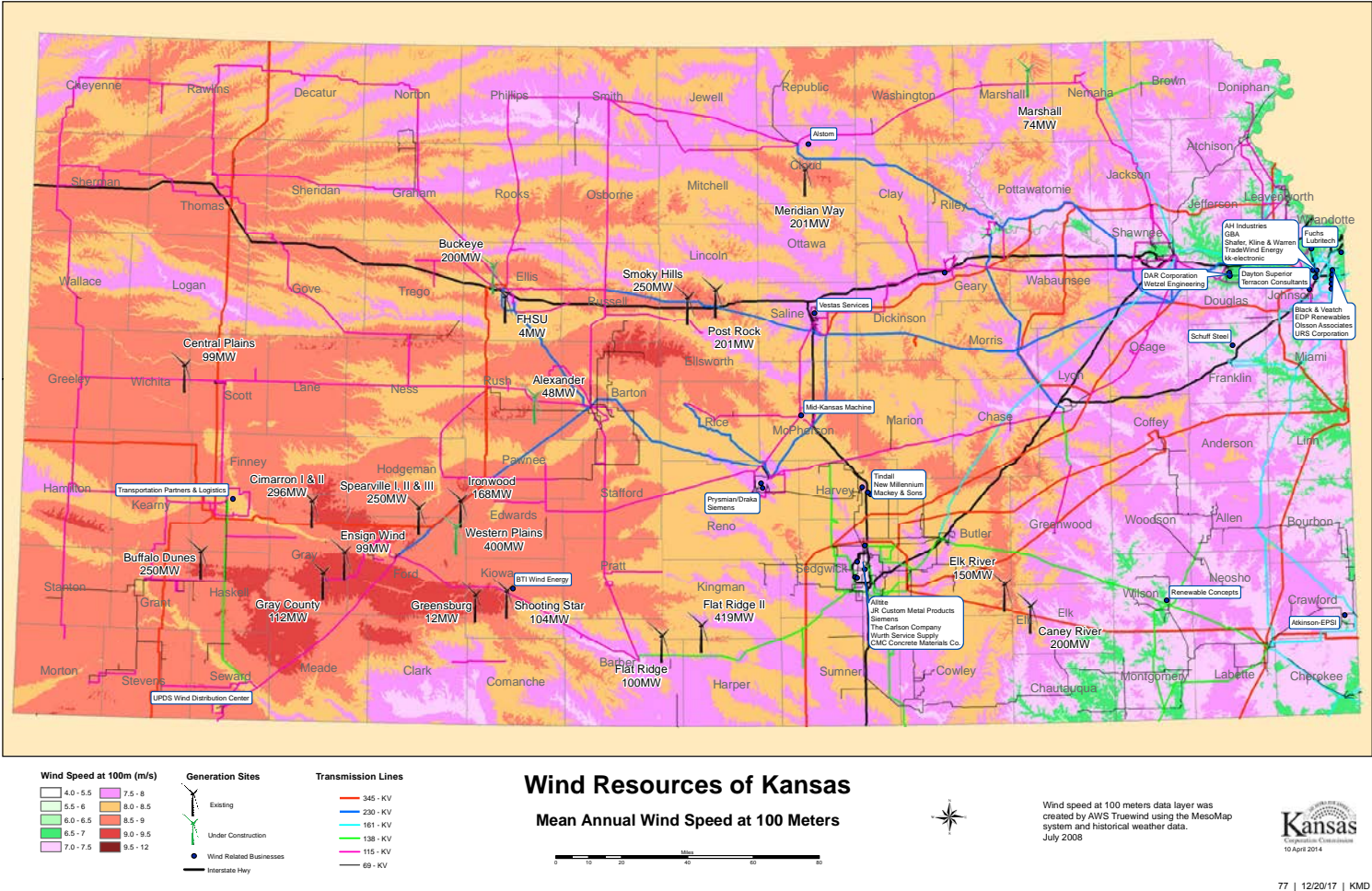
Kansas benefits from one of America’s largest deposits of natural gas, a resource that translates into easy access and excellent prices for natural gas consumers. The Hugoton Gas Field in southwest Kansas covers more than 5,700 square miles, supplies 41 percent of all natural gas produced in the state and contributes to Kansas’ ranking in among the top natural gas producing states, with approximately 243 billion cubic feet of natural gas produced annually. Kansas natural gas companies and municipal gas systems supply the state. Three major pipelines, operated by Southern Star Central Gas Pipeline, Inc., Panhandle Eastern Pipeline Company and Northern Natural Gas Company, transport more than 50 percent of that consumption and connect with a wide distribution network. In the areas not served by distributors, direct hook-ups from transmission lines can accommodate most businesses. In addition, municipal distribution lines may be able to use existing taps and transport gas to larger customers at a lower cost.

Kansas Regulation

The KCC continues to participate in Southwest Power Pool forums addressing various aspects of new transmission lines to assure reliability, accessing low-cost power markets and selling power to the benefit of Kansas electric customers. The KCC is also closely monitoring and addressing the impact of federally mandated environmental retrofit projects on Kansas’ generation fleet. The KCC continues to address various aspects of energy-efficiency programs of natural gas and electric utilities through tariffs implementing Demand Side Management (DSM) programs. The KCC is also implementing efforts to review utility rate structures to track cost of service in demand and energy charges.

Wind Energy

Other options, such as the development of renewable energy, are supported by Kansas leaders interested in maintaining a healthy and competitive energy market. Wind power, especially, plays an important role in Kansas energy supply. Located in the heart of the nation’s growing wind industry, Kansas offers an ideal location for wind turbine manufacturing. Our central location and well-developed transportation infrastructure provide convenient and economical access to the region with the greatest wind energy activity. Since the beginning of 2008, wind generating capacity in Kansas has more than tripled to 4,451 megawatts, making Kansas one of the top 5 states in the nation. There is plenty of room to add more, with Kansas ranking second in wind energy potential and 874 megawatts of additional wind projects underway.



Kansas utilities have met the state's renewable energy goal of 15 percent of the state's electricity from renewable sources by 2016. A further target of 20 percent by 2020 has been set, and there is strong interest in the state for expanding the use of both large and small-scale wind energy. Projections indicate that the state's power system could provide a possible 7,000 megawatts for export from wind energy by 2030. Kansas offers 10-year property tax exemption for property used in the generation of electricity from renewable sources.

Kansas Telecommunications

Kansas enjoys one of the most sophisticated and reasonably priced telecommunications systems in the nation. Thanks to our central location, businesses have access to east-west and north-south major trunk lines, connecting them to a nationwide fiber optic network. Whether it's a small business needing voice services and Internet or a large business with maximum data transport requirements, Kansas has the telecommunications infrastructure your company needs to succeed and grow.

Kansans are served by a variety of local exchange carriers, long distance or inter-exchange carriers and wireless carriers. These carriers provide a wide range of telecommunication services from basic dial tone to sophisticated data transport services to nearly ubiquitous wireless or cellular services.

Kansas has 41 incumbent local exchange carriers, including AT&T and CenturyLink (previously Embarq). In addition to these incumbent carriers, Kansas currently has over 122 competitive local exchange carriers. These carriers are operating primarily in AT&T and CenturyLink territories and are competing with the incumbents, offering competitive services and competitive rates.

Interconnecting these local networks with the national Public Switched Network are more than 236 long distance carriers. These carriers offer a wide variety of long distance calling plans and sophisticated private line services, of particular interest to small and large business.

The technology used to deliver these services is state-of-the-art digital switching and transport technologies. Digital switching equipment is deployed nearly seamlessly from the large metropolitan areas to the smallest rural entities throughout the state. This technology delivers the popular call management services (i.e. call forwarding, caller ID, call waiting, distinctive ring, etc.) to residential and business customers. In addition, business customers also have access to business oriented services, commonly referred to as centrex features.

Digital transport equipment is also deployed throughout the state, utilizing fiber optics technology to interconnect telephone company switching offices and inter-exchange carriers. In addition, fiber technology is now being deployed to the customer's premises in many locations throughout the state, thus providing broadband Internet services and in some locations, video service. These two families of technology, digital switching and digital transport combine to provide the customer with a broad menu of high-quality, highly reliable services.

Wireless or cellular services are very broadly deployed with multiple carriers available in most areas of the state. Kansas compares favorably with neighboring states with respect to broadband access to the Internet. In fact, Kansas City, Kan. was selected as the first Google Fiber Community. Google launched an initiative called Google Fiber, which will provide communities with Internet access more than 100 times faster than what most Americans have today. Nearly 1,100 communities submitted applications for Google Fiber. Kansas City was selected and was the first community where Google installed its fiber-to-the-home (FTTH) service. Since that time, they have installed this fiber in several cities in the Kansas City area.

Environment

Kansas' environmental regulations strive to balance the prudent conservation of environmental resources and sensitivity to the operation of our industries. For environmental/regulatory questions relating to site selection, please contact the Kansas Department of Commerce and we will put you in touch with the appropriate Kansas Department of Health and Environment (KDHE) official to assist your company.

Air

Kansas' clean air is not only healthy. It also translates into simpler, less expensive requirements for industries considering a Kansas location. Apart from ozone-maintenance agreements in Wyandotte and Johnson counties, and an area of less than one square mile in Saline County, the entire state is an air quality attainment area. In fact, Kansas City is the first and largest metropolitan region in the country re-designated as an attainment area according to the federal clean air standards for ozone. Because of the state's compliance with the national ambient air quality standards, air emissions quality restrictions are limited.

Water

Water covers 520 square miles of Kansas. Even so, water quality and availability vary across the state. Most businesses requiring 10 acre-feet or less of water annually (3,258,500 gallons) from municipalities can be easily accommodated, as most Kansas municipalities have future growth needs factored into their water rights as well as their treatment and distribution systems.

Environmental Regulation

Most of the state's environmental regulations are administered by the Kansas Department of Health and Environment (KDHE). That agency also has authority to issue many federal environmental permits. The KDHE's main office is in Topeka with district offices throughout the state that can address questions involving air, water, waste and remediation. The district offices are located in Chanute, Wichita, Dodge City, Hays, Salina and Lawrence. The Surface Mining Office is located in Frontenac.

A few Kansas counties – Johnson, Sedgwick and Shawnee – also have their own environmental inspection bureaus. Wyandotte County has its own environmental agency through which many state permits are written and issued.

The most common types of permits are outlined in the chart within this section. If you think your business may need a permit, license or other approval from the KDHE, please contact that department before you start your business or project. If you are planning to purchase or acquire a business facility or structure, please check with the KDHE first, since not all permits, licenses and approvals are transferable from one owner to the next.

Obtaining Environmental Permits

Because many permits are industry and location specific, an initial meeting between your company, KDHE and an environmental consultant of your choice can serve as a valuable planning tool. The following process is generally used to obtain environmental permits:

1. Company meets with KDHE to discuss its proposed operations.
2. KDHE provides relevant permit/license applications.
3. Company completes the application(s). Information such as detailed engineering reports, specifications and quantity and characteristics of anticipated waste are requested. Application(s) and supporting documentation are submitted to KDHE.
4. KDHE reviews the application(s). Information that is justified as being confidential by the company is kept confidential by KDHE.
If the proposed waste is a federally regulated pollutant, such as a hazardous waste, portions of the draft permit are sent to the EPA for approval.
5. After being reviewed for completeness and approved by KDHE (and the EPA if necessary), the project is usually subject to a 30-day public notice period. Requirements on when construction may begin vary depending on permit types. This detail should be clarified with KDHE early in the permit process.

Help is Available

In many cases, the best technical assistance can be found through the KDHE’s network of district offices located in:

Chanute – (620) 431-2390	Wichita – (316) 337-6041
Dodge City – (620) 682-7940	Hays – (785) 261-6100
Salina – (785) 827-9639	Lawrence – (785) 842-4600
Frontenac – (620) 231-8540 (Surface Coal Mining Only)	

Compliance inspectors in each office, specializing in waste, water, air and remediation, can work with company officials to ensure that the proper procedures are followed to obtain the appropriate permits.

KDHE also provides specialized assistance for businesses with fewer than 100 employees. The Small Business Environmental Assistance Program is operated on behalf of KDHE by the Pollution Prevention Institute at Kansas State University. This program is designed to help small businesses understand the permitting process and learn about options for preventing pollution without having to obtain a permit and to provide on-site consulting on a variety of environmental issues. This program can be accessed at (800) 578-8898.

Permitting Data and Contacts					
Activities Requiring Permits	Permitting Authority	Authority Number	When to Apply	Approval Time Frame	Notes
Air Emissions-Construction Permit	KDHE Bureau of Air	(785) 296-1570	When design complete -must have permit prior to commencement of construction	40 to 120 Days	Fees differ by emission source and type- Time frame depends on need for public notice
Air Emissions-Construction Permit-Major Facilities	KDHE Bureau of Air	(785) 296-1570	When design complete -must have permit prior to commencement of construction	180+ Days	Sources subject to the prevention of significant deterioration (40 CFR Part 52) requirements
Air Emissions-Construction Approval	KDHE Bureau of Air	(785) 296-1570	When design complete -must have permit prior to commencement of construction	40 to 60 Days	Approval application fee is dependent on the size and complexity of the approval
Wastewater Discharge or Storage	KDHE Bureau of Water	(785) 296-5545	At least 180 days prior to discharge initiation	180 Days	For facilities that discharge or treat wastewater
Storm Water Control	KDHE Bureau of Water	(785) 296-5545	Notice of intent prior to operation of facility-Some localities require notification 180 days prior to operation of facility	Some localities require notification 180 days prior to operation of facility	For industries discharging storm water from manufacturing, processing or raw materials
Construction Activities	KDHE Bureau of Water	(785) 296-5545	60 days prior to when construction activity begins	N/A	Storm water construction activity permit is required for construction activities involving clearing, grading and excavation of land that is one acre or larger
Confined Feeding Facilities (Livestock)	KDHE Bureau of Water	(785) 296-6432	At least 180 days prior to operation.	180 days	Larger feeding operations are subject to siting requirements
Filling Flood Plains	KS Department of Agriculture, Divisions of Water Resources	(785) 296-2933	On completion of plans-cities that are identified as flood hazard areas may also require a locally issued permit	3 to 6 Months	For placement of fill
Water Use	KS Department of Agriculture, Divisions of Water Resources	(785) 296-2933	On-site selection	12 Months	For companies requiring installation of water wells or water diversion structures
Solid Waste Disposal Industrial Landfills	KDHE Bureau of Waste Management	(785) 296-1601	When site is selected and facility plans are complete	9 Months	Allows company to construct and operate on-site landfills for wastes generated on the premises
Municipal Solid Waste Disposal	KDHE Bureau of Waste Management	(785) 296-1601	When site is selected and facility plans are complete and local government approvals are obtained regarding zoning and consistency with the county solid waste plan	12 months	Allows company to construct and operate a municipal solid waste landfill
Solid Waste Disposal Construction & Demolition Landfills	KDHE Bureau of Waste Management	(785) 296-1601	When site is selected facility plans are complete, and local government approvals are obtained regarding zoning and consistency with the county solid waste plan	9 Months	Allows company to construct and operate landfills to accept wastes generated in the construction and demolition of structures and land clearing
Hazardous Waste Facilities (Treatment, Storage or Disposal)	KDHE Bureau of Waste Management	(785) 296-1609	When site is selected and facility plans are complete	2 Years	No permit required for generation only, unless storage time exceeds 90 days
Hazardous Waste Transporters	KDHE Bureau of Waste Management	(785) 296-0005	Transporters must register prior to transport of waste	2 Weeks	Transporters pay an annual monitoring fee
Hazardous Waste Generators	KDHE Bureau of Waste Management	(785) 296-1604	Generators must register to obtain an identification number prior to generating hazardous waste	1 Week	Generators pay an annual fee based upon waste generation rate
Operation of Underground and Above-Ground Storage Tanks	KDHE Bureau of Environmental Remediation	(785) 296-1678	Permits for above-ground and underground tanks are issued for a calendar year beginning August 1	Approx. 1 Month	Compliance information is collected throughout the year and submitted prior
Operating Coal Mines	KDHE Bureau of Environmental Remediation, Surface Mining Section	(620) 231-8540	Coal mining permit	About 8 Months depending on the site	
Dry Cleaning Facilities	KDHE Bureau of Environmental Remediation	(785) 296-6370	Register within 30 Days of start-up	1 Week	Annual registration plus gross receipts fee paid throughout the year

KANSAS



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